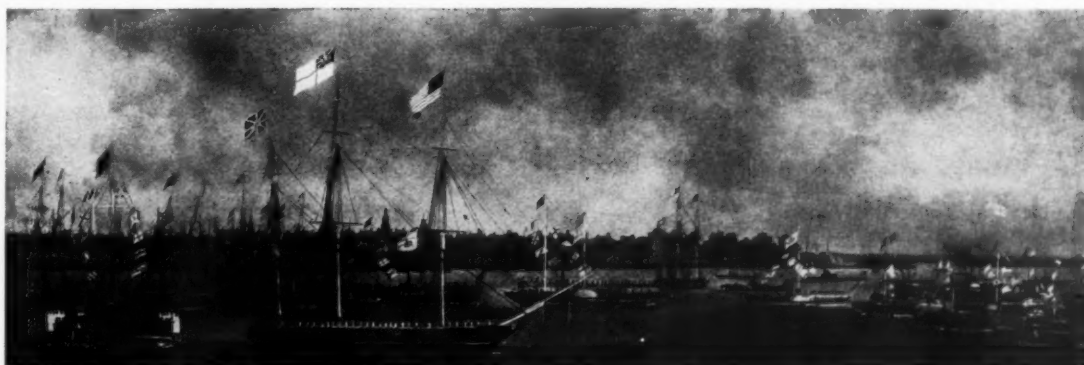


The NATIONAL UNDERWRITER

WISCONSIN AGENTS CONVENTION

SALUTE TO THE ERIE CANAL AND THE PENNSYLVANIA FIRE



Erie Canal Celebration At New York November 4, 1825 (Courtesy of Museum of the City of New York)

EXACTLY nine months to the very day after THE PENNSYLVANIA FIRE was established, the Erie Canal—which also celebrates its 125th Anniversary this year—was opened to traffic on October 26, 1825.

Completion of the canal—extending 363 miles across New York State and constructed at a cost of \$7,143,789—was an event of the greatest commercial importance. That the people appreciated the significance of the opening was attested by the elaborateness of the celebration that began at Buffalo, whence a fleet of five vessels started on the memorable trip to the sea. On the deck of the forward boat were two kegs of water from Lake Erie. In the vessel that brought up the rear of the procession were a bear, two eagles, two fawns, two Indian boys, birds, fish and enough other typical products of the early West to make the boat resemble Noah's Ark.

As the fleet started forward, saluted by music, musketry and the cheers of thousands on either bank, the news was carried to New

York City by the reports of a continuous line of cannon placed along the canal to Albany and down the Hudson to the metropolis. When the last gun had been fired at the Battery, the forts in the harbor returned the salute, and the news that New York had heard the tidings was relayed back to Buffalo by a second cannonade.

The progress of the little fleet was one continuous ovation, reaching its climax November 4 when the boats arrived at New York City, where the entire population and thousands of persons from all sections of the United States had gathered to attend the ceremonies.

Typical of the times was THE PENNSYLVANIA FIRE INSURANCE COMPANY, a pioneer in the fire insurance business. In fact, it was the second Pennsylvania company organized to insure fire risks in general. With the historic Erie Canal, it looks back on 125 years of American history and progress during which it has participated liberally in the development of Fire Insurance in this country.

THE PENNSYLVANIA FIRE INSURANCE COMPANY

1825 [Established 1825 on Independence Square
Philadelphia and on the same site ever since] 1950



125th Anniversary

THURSDAY, OCTOBER 26, 1950



In this fable the gaunt wolf envied the lot of the sleek and well-fed dog until he spied the telltale marks of the collar on the dog's neck. "It chafes a bit, but one soon gets used to it" was the way the dog casually explained his slavery.

Currently, too many of us are accepting the philosophy of the dog. We are "getting used" to government hand-outs. Wittingly or unwittingly, we are yielding our personal freedom. We are being lulled by a sense of false security, confident that a benign and ever-affluent government will be our provider and nursemaid.

Let us reject this pernicious notion, lest having become immune to the chafing, we forget we are wearing the collar.



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FIREMAN'S FUND INSURANCE COMPANY • HOME FIRE & MARINE INSURANCE COMPANY

FIREMAN'S FUND INDEMNITY COMPANY • WESTERN NATIONAL INSURANCE COMPANY • WESTERN NATIONAL INDEMNITY COMPANY

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Review Techniques of Installment Premium Payments

Questions Considered by Subcommittee of N.A.I.C. at New York

NEW YORK—Before a fire and marine subcommittee of National Assn. of Insurance Commissioners and a committee of technicians, several company representatives aired their views on techniques of the installment payment premium plan. The committee included Deputy Commissioner Ralph Alexander of Pennsylvania, M. G. McDonald of the Massachusetts department and Walter Rountree of the Florida department. Edward D. Reilly, chief of the New York department's audit bureau, was chairman.

Mr. Reilly said the subcommittee's recommendations would be submitted to the fire and marine committee, which will refer them to the N.A.I.C. executive committee. A decision may be reached by the association at the December meeting at Los Angeles.

The hearing resolved itself into a study of 17 questions on the plan. Company representatives were Charles F. Littlepage and John C. Phillips of North America, Patrick J. Kelly, Liberty Mutual Fire; Paul Otteson, Federated Mutual Implement & Hardware; John R. Barry, president Corroon & Reynolds, and Thomas C. Morrill, State Farm Fire & Casualty, on behalf of annual renewal companies. Walter H. Bennett, National Assn. of Insurance Agents, also participated.

Method of Treating Premiums

"Should the total amount chargeable for the full term of the policy be treated as premium written on the date the policy is written or should the installments be registered as premiums written as they fall due?" It should be treated as premiums written as of the date the policy is written, Mr. Kelly said, because the policy is valid and enforceable as of its effective date, creating an obligation on the part of the policyholder for the full amount of the premium for the full term of the contract. Mr. Littlepage agreed. Bookkeeping is simplified, he stated, and expense is reduced. Moreover, this method permits the unearned premium reserve to be taken down according to the formula used for term policies rather than that used for annual policies. Mr. Bennett concurred.

Mr. Barry, however, favored treating installments as premiums written as they fall due because they depend upon continuation of the same insurable value and an insurable value of the insured. Mr. Barry stated that this method removes the possibility of inconsistency in the treatment of premiums over 90 days due. Any other treatment, Mr. Barry said, would lay a foundation for false statements. An amount charged for credit, he emphasized, is not a premium written. Mr. Otteson favored treating the premium as it is received. In a survey of 34 companies, he stated, only four recorded the entire premium at the inception of the policy.

"If the premiums written are to be credited with the installment premiums applicable to the full term of the policy,

Arthur, Carney and Miller on N.A.I.A. Executive Board

J. V. Arthur, Winchester, Va.; John H. Carney, Eau Claire, Wis., and George R. Miller of Helena, Mont., have been appointed to the executive committee of National Assn. of Insurance Agents by President Melvin J. Miller, Fort Worth, and J. F. Van Vechten, Akron, vice-president and chairman of the executive committee.



J. V. Arthur

Dana J. Lowd, Northampton, Mass., and Charles A. Dawson, Fargo, N. D., had previously been elected to the executive committee by the national board of state directors at its annual meeting at Chicago. Mr. Lowd was an executive committee member last year.

Mr. Arthur, president of the J. V. Arthur agency, entered the business in 1919. He has previously served as director of Virginia Assn. of Insurance Agents for two years and later as vice-president and chairman of the board. He has been active in local and state chamber of commerce work. For several years he served as president of the Shenandoah apple blossom festival. He and Mr. Carney served on the executive committee last year by appointment.

Mr. Carney is president and manager of Carney, Inc. He entered the business in 1933, joining the claim department of U.S.F.&G. at Milwaukee. Five years later he became district supervisor for the company. In 1943 he entered the local agency business at Eau Claire. He was president of Wisconsin Assn. of Insurance Agents in 1947-48 and is now state national director for Wisconsin.

Mr. Miller is a past president of the Montana association and is now serving his second term as state national director. He has been a member of the N.A.I.A. membership committee and has been an active member of the Far West Agents Conference. He has also been active in local community affairs.

should the commission expense be debited with the commission on all installments, and unpaid installments be carried net as to commission in assets?" Mr. Kelly stated that any credit extension or installment payment plan should be tailored to fit the requirements of the individual company. The aim should be to handle installment accounts on the same basis as regular accounts as respects commissions. Mr. Littlepage said commission expense should be debited with the commission on all installments and that unpaid installments should be carried net as to commission in assets. Mr. Barry stated that premiums written should not be credited with full term premium in the year the policy is issued. "If, however, that procedure should be adopted," he continued, "we do not believe that unpaid installments would be true assets, as they are not available for payment of losses and claims."

"Are uncollected installments on such policies to be accepted as admitted assets where no note or other written evidence of an obligation to pay is obtained from the insured?" Mr. Kelly and Mr. Littlepage said "yes." Mr. Barry said "no," because as far as premiums are concerned, there should be accepted as admitted assets only those premiums actu-

(CONTINUED ON PAGE 29)

Ask Rehearing in General Mills Case

ST. LOUIS—Harry Goldman, plaintiff in the General Mills case, in which Indiana Lumbermen's Mutual intervened, has filed a petition for a rehearing with the U. S. Court of Appeals seeking to have that tribunal set aside its recent two to one decision that reversed the federal court of Minnesota which had awarded a judgment for \$142,500 against General Mills for the destruction of a leased building in a fire Jan. 15, 1948, alleged caused by the negligence of an employee of General Mills.

The petition contends that the record contained no evidence that there was a mutual understanding and agreement, independent of the lease, entered into at the time the lease was executed, that Goldman would procure fire insurance. There was no evidence that the rental price was agreed to in view of the fire insurance cost to the landlord. The court inadvertently found contrary to the record, that insurance in excess of the owner's investment was obtained.

The insurance coverage afforded was less than the owner's investment, the petition states. It was brought out that the insurance protecting the property from fire was for \$100,000, while the actual purchase price paid by Goldman and associates was \$110,000, including \$30,000 paid in cash. Also the owners made improvements to the property, including a new roof that cost \$1,000. The insurance of \$100,000 was substantially less than the actual value of the owner's investment at the time of the fire; the jury found that the reasonable market value of the property immediately before the fire was \$135,000, and for purposes of appeal it had been stipulated by the owners and lessee that the damage caused by the fire was \$142,500.

The provision for insurance against loss by fire contained in the Minnesota standard fire policy is not the same as the lease provision in question, the petition asserts, despite the fact that the court of appeals thought otherwise.

The court in taxing costs failed to consider the equities of compelling Indiana Lumbermen's Mutual to share the burden of costs.

The arguments cited Sec. 504.05 of Minn. Stat. Ann., which reads:

"Rent liability: Destroyed untenanted tenements. The lessee or occupant of any building which, without fault or neglect on his part, is destroyed or is so injured by the elements or any other cause as to be untenanted or unfit for occupancy is not liable thereafter to pay rent to the lesser or owner thereof, unless otherwise expressly provided by written agreement; and the lessee or occupant may thereupon quit and surrender possession of such premises."

The argument was that this statute being in derogation of the common law, is to be strictly construed against the tenant.

The court of appeals decision was written by Judge Woodrough, concurred in by Judge Riddick. Judge Sanborn dissented.

New William Penn Continuance

HARRISBURG — The hearing in the case of William Penn Fire has been continued again to Nov. 13. John A. Skelton, insurance department general counsel, said it would take three weeks for the company to consummate the necessary "reinsurance binders or treaties and the conversion of non-liquid assets." He said department examiners would "maintain close contact with the company."

Fla. Hurricane Loss May Exceed \$20 Million

Worst Blow Ever Suffered by Property Insurers in State

MIAMI—The hurricane which struck southern Florida last week caused approximately \$20½ million damage, according to National Board and General Adjustment Bureau representatives. To date there are 23,000 claims at Miami and 8,000 at Miami Beach totaling an estimated \$17½ million.

While there were some serious individual losses, especially to hotels, including the Roney Plaza tower and the Kenilworth, the majority of losses were sustained by the GI housing projects. There are 49,000 new homes in the Miami area built by ex-service men at \$7-10,000 on FHA loans and many of these suffered severe damage, especially to roofs. Severe criticism has been leveled at some of the construction companies although VA inspections revealed compliance with the building codes. Roofs were blown off by the 106 mile wind and consequential damage done to furniture and interiors. This is believed to be the worst blow the property insurers have ever suffered in Florida.

National Board representatives said Miami Builders Exchange is offering splendid cooperation with home owners and adjusters. The local radio stations have broadcast instructions to home owners how to file claims and whom to contact for emergency repairs.

Two radio towers of station WIOD were blown down and it is not known if these were protected by insurance. The plate glass loss was so extensive that one day last week there was no glass to be had at Miami. Most of the individual glass losses come under the \$100 per building deductible clause.

General Adjustment Bureau has sent 200 adjusters and local companies and agencies have supplied an additional 100 men.

Broward County Loss

Broward county sustained close to 1,000 losses with about \$3 million damage. Most of that damage was done by the tornado which accompanied the hurricane and struck west of Hollywood and Fort Lauderdale. In spite of the extensive construction under way at Fort Lauderdale and on the north beach, there were practically no losses under the builders risk policy. One large agency at Fort Lauderdale reported only 30 losses exceeding \$100. This is a typical experience.

It will be some time before the exact figures will be known but it is not thought they will exceed the \$20,580,000 estimate given at long range by National Board representatives.

The largest losses seem to be builders risk where lintels had not been poured long enough to set or where walls were up and lintels not poured.

Allstate, which has established the practice of making cars available to insured in disaster areas, the first such offer being made at South Amboy, N. J., ran an advertisement in the Miami "Herald" Oct. 21 offering to make available without charge cars for use

(CONTINUED ON PAGE 28)

As



SPECIALISTS

We Provide
AN IMPROVED
SERVICE

For Your Unusual Risks
ADDITIONAL DOMESTIC MARKETS
BROADER FACILITIES
COMPLETE COVERAGE

INTERMEDIATE — LONG HAUL TRUCKS
BUTANE — PROPANE — GASOLINE HAULERS
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FINANCIAL RESPONSIBILITY
DRAM SHOP LIABILITY — WORKMEN'S COMPENSATION
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KURT HITKE & COMPANY, Inc.

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Dunkirk 8-3161

REISCH Building
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Springfield 8-4305



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*A Leading
Building For Leading
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Tenanted by leading Fire and Casualty Insurance Companies, the Jackson-Franklin Building offers the ultimate in fine executive and general office accommodations, at substantial savings in rental. Companies with leases expiring soon will find it profitable to obtain our plans and rental information.

SPACE NOW AVAILABLE

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Lange Abandons Insistence on 2½% Profit Ceiling

Wis. Rate Reduction
Order Is Superseded
by Filing

MADISON — Commissioner Lange and Fire Rating Bureau of Milwaukee reached a final agreement whereby the fire companies will accept the approximately \$1,036,000 net rate reductions ordered by the state July 17 and in modified form Aug. 30. This resulted in withdrawal of the appeal which the bureau had carried to the Dane county circuit court.

In explaining the final approval of the tentative agreement reached Oct. 4 between state insurance officials and four company representatives, Mr. Lange issued this statement:

"The commissioner of insurance states that all of the companies affected by the recent fire insurance rate reduction order have indicated that, although they do not acquiesce in, agree to, or accept the mechanics, methods or formula which may have been used in arriving at said reduced fire insurance rates, nevertheless, they recognize, that considering all factors involved, a reduction in rates producing an annual savings to policyholders in Wisconsin of approximately \$1,036,000 as ordered therein is probably justifiable.

Companies Make Filings

"Accordingly, the pending appeal from such order has been disposed of by the companies making new filings of rates for the same classes involved, to be effective as of Sept. 1, 1950, and by the commissioner, after a full review entering an order approving such new filings as accomplishing the purposes intended in such rate reduction order and superseding it. As the result whereof, the companies have dismissed the appeal procedure."

Some modifications were said to have been made from the original and subsequent modified order, it was stated, with the details to be worked out. One of them is the abandonment of the limit of 2½% on underwriting profit as a measuring stick in determination of fair rates. The insurers had insisted that a 5% return would be more equitable. Another factor in the acceptance of the program was the insurance department's recent promise that it is to review the rate structure and make needed adjustments if and when conditions warrant them.

The reductions ordered ranged from 5 to 25% in 15 principal cities and some other communities, plus some increases. Insurance department officials are now preparing the detailed and revised classification schedules.

In accordance with the final agreement, the companies will make refunds on policies written on and after Sept. 1, the effective date of the order, and the new rates will apply to all subsequent policies.

Company spokesmen emphasize that, as the record shows, Commissioner Lange's earlier rate reduction orders have been superseded and in effect expunged from the record. The significance of this is that all of the findings made by Mr. Lange in his earlier orders, which were found objectionable by the affected companies by reason of their being at variance with the provisions of the newly-revised underwriting profit formula as approved by National Assn. of Insurance Commissioners at Seattle in June, 1949 have

(CONTINUED ON PAGE 30)

THE
PHOENIX-CONNECTICUT
GROUP
of
Fire Insurance Companies



The Phoenix
Insurance Company, Hartford, Conn.
1854

The Connecticut
The Insurance Co. of Hartford, Conn.
1850

FORTABLE
Fire & Marine Insurance Company
PROVIDENCE, R.I.
1859

ATLANTIC FIRE INSURANCE CO.
Raleigh, North Carolina

THE CENTRAL STATES FIRE INS. CO.
Wichita, Kansas

GREAT EASTERN FIRE INSURANCE CO.
White Plains, N. Y.

MINNEAPOLIS F. & M. INSURANCE CO.
Minneapolis, Minn.

RELIANCE INS. CO. OF CANADA
Montreal, Canada



HARTFORD
30 Trinity Street

CHICAGO
Insurance Exchange

NEW YORK
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SAN FRANCISCO
220 Montgomery Street

MONTREAL
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All Forms of Fire and
Property Insurance including
Ocean and Inland Marine

Country-wide Brokerage Service

TIME TRIED & FIRE TESTED

Mass. Agents Reelect Smith President, Name England V.-P.

**Flat Auto Casualty
Rate Is Big Issue
at Springfield Meet**

By KENNETH O. FORCE

SPRINGFIELD, MASS. — With registration only slightly less than last year's record at Boston, Massachusetts Assn. of Insurance Agents at its convention here dealt vigorously with several problems of real concern. One is the referendum on a flat rate for auto casualty insurance. Companies and agents have under way a campaign of public education against the fallacy of the flat rate notion that reaches into every corner of the state and is building to a climax as Nov. 7 voting day, approaches.

Graham Smith, Brockton, was re-elected president and F. J. England, Cambridge, was named vice-president to succeed to the post vacated by the death of Russell Chase of Springfield.

Asks Organization Change

In his annual report Mr. Smith recommended changes in the organization setup, possibly paralleling the present constitution of N.A.I.A. at the state level. This would mean a smaller executive committee to meet frequently and act quickly and a large board of directors representing every active local board to make policy. This would promote efficiency and be more democratic, he said. It would encourage new blood and provide a reservoir of needed leadership.

Decisions on installment plans are expected shortly, he added. These the association opposed. He commented on defeat of the monopolistic state fund cash sickness bills and on formation of the state producers council to act unitedly on mutual problems. This group secured passage of the anti-coercion law this year.

Some of the things the agent should consider before spending money on advertising were delineated in his vigorous and attention compelling way by E. Rhea Hurd, Jr. Competition is not with others in insurance but with the other needs on which insured must spend money. There are only four or five cents of a dollar left for insurance, television sets, etc.

Better, Cheaper Sales Through Ads

Mr. Hurd, who is advertising manager of American Associated, told agents that advertising is a gadget to help agent sell better and cheaper. If the agent can make a living on those people he personally calls on, he doesn't need to advertise. An added group is composed of people he knows and knows how to reach through direct mail. Beyond this are those he doesn't know, whom he must use advertising to tap.

He warned against hit and run advertising which is like watering the lawn with a glass of water—one direct mailing, for example.

One ad won't bring results. Direct mail means letters and Mr. Hurd respects the letter writing ability of most agents. In writing a letter the first paragraph should deal with the need, to arouse interest; the second how the agent can fill it, and third the action closes. The latter is the most important. Too few letters definitely prescribe what the agent wants the recipient to

(CONTINUED ON PAGE 31)

only

AMERICAN FIDELITY AND CASUALTY Co., INCORPORATED

*Largest stock company in the world specializing
in bus and long-haul truck coverages*

offers

MARKET SERVICE, INC.

Highway transportation specialists who extend to AF&C Assureds:

- motor carrier coverages custom tailored to fit the individual risk.
- safety engineering program that eliminates accident causes.
- day and night claims service facilitating prompt settlements.
- lower insurance costs through these specialized services.



American Fidelity and Casualty Co., Inc. Financial Statement as at December 31, 1949

As filed with Insurance Departments

ASSETS	
Cash on hand and in banks	\$ 5,273,229.73
Bonds (Amortized Values)	
United States Government	\$3,546,076.06
State, County & Municipal	1,449,903.03
Public Utilities, Industrial and Miscellaneous	643,537.38
TOTAL BONDS	\$ 5,639,516.47
Stocks (Including Subsidiary Companies) Authorized	
Market Values	4,230,432.52
F.N.A. Mortgages & Veterans Loans Guaranteed under	
U.S. Federal Act	341,367.35
Mortgage Loans	170,528.41
Premiums in course of collection	2,249,728.33
Accrued interest and other assets	90,574.50
TOTAL ADMITTED ASSETS	\$18,015,377.31

LIABILITIES	
Reserve for Claims and Claims Expense	\$ 6,793,872.93
Reserve for Unearned Premiums	851,606.67
Reinsurance Treaty Funds	3,754,211.00
Reserve for Commissions, Taxes and Accounts Payable	1,870,028.71
Dividends Payable	27,000.00
TOTAL LIABILITIES	\$12,798,720.11
Capital Paid In	\$1,900,000.00
Voluntary Reserve	950,000.00
Net Surplus	3,046,657.20
Surplus to Policyholders \$5,216,657.20	
TOTAL	\$18,015,377.31

(On the basis of Market Values for bonds, surplus to policyholders would be increased to \$3,327,913.42)

Securities carried at \$545,415.00 in the above statement are deposited for purposes required by law.

AMERICAN FIDELITY AND CASUALTY Co., INCORPORATED

Richmond, Virginia

Quotations through agents and brokers only

Underwriting Offices:

Boston
Chicago
Dallas
Los Angeles

New York
Richmond
San Francisco
Seattle

Says Chubb & Son Deductible Framed to Meet Buyer Demand

Robert E. Wallace, a partner and Pacific Coast manager of Chubb & Son, speaking at the convention of California Assn. of Independent Adjusters at Los Angeles last week, discussed in detail his company's fire insurance deductible plan and answered many of the arguments that have been raised against it. He declared that the plan was brought out with the hope of winning back into

American markets much business that has been lost, and at the same time reverse a growing trend to self-insurance.

Mr. Wallace said that the announcement of Chubb & Son that it was prepared to write deductible fire coverages set off a storm of comment, but most of the talk has been very general and a good deal of it without a thorough understanding of the problems involved. He said the general thinking of the company was that where a legitimate demand exists and where it is subject to sound rating procedures, it becomes the duty of the industry to provide an answer to the demand.

Meets Public Demand

Millions of dollars annually have been lost to the standard fire markets because the public has not been offered the form of insurance they wanted to buy. The industry hasn't kept abreast of the times, Mr. Wallace charged.

Chubb & Son did not arrive at rates for a deductible arbitrarily. While there was some element of judgment involved, rates were arrived at by actuarial computations based on as complete statistics as were available. These statistics were gathered not only from Chubb & Son's own records, but from loss experience of Western Adjustment Bureau and the National Board. He said to his knowledge, this is the first time a system of credit for varying deductibles has been actuarially computed on the basis of an analysis of such a broad base of losses.

Two factors were basically significant in measuring the ratable aspect of the deductibles: The dollar amount of the deductible, and the percentage the deductible bears to the amount of risk at one location.

Underwriting Rules Outlined

With these factors in mind, a schedule of discounts was made up to be applied to basic board fire rates. Some important rules were set up, among them being:

—All deductible insurance (other than reporting form) shall be written on the applicable standard form of fire policy.

—Minimum premium to be \$500. Premium to be computed on the amount designated in the policy as basis of insurance without reduction in such amount by reason of the deductible.

—Minimum deductible \$5,000, maximum \$250,000.

—A warranty by the assured that the deductible will not be insured. Mr. Wallace said that this provision is extremely important in maintaining the present rate structure.

—The deductible will not apply to any form of leasehold interest or legal liability.

—The deductible plan may apply to any hazards covered by the fire policy and endorsements thereto.

—At least 80% coinsurance must be carried, thus preserving the established principle of coinsurance.

—No additional insurance shall be permitted unless indorsed on the policy. Where such permission is granted, then for the purpose of rate determination only, the "basis of insurance" and the "deductible" shall be deemed to be proportionately increased.

—Deductible may be applied to reporting as well as specific policies and there are special rules for premium adjustment.

Self-Insurance Argument

The argument has been made that the introduction of the deductible is an invitation to the public to adopt self-insurance and so limit or stop altogether the progress of insurance. Mr. Wallace emphasized that partial self-insurance by that part of the public able to afford it was started many years ago and has been growing at an alarming rate. The idea of the Chubb plan is to win back into American markets much of this business. The first deductible risk written in the Pacific department was for a corporation that had previously been a self-insurer. Mr. Wallace said he is convinced that many such corporations became self-insurers in one form or another, not from their own choosing but

because the stock companies, comprising the bulk of the American market, were unable or unwilling to give them a plan to meet their needs.

Why should a concern engaged in the grocery business or the steel business set up an insurance company of its own?

(CONTINUED ON PAGE 31)

ACCIDENT AND HEALTH SALES MANAGER

Large life insurance company which operates nationally has opening for a sales manager to head its Home Office accident and health staff. Unusual opportunity for the right man. Age 35-45. Must have broad general accident and health sales experience with a life insurance company. In writing, please give educational background, experience, age and present salary. All correspondence treated in strictest confidence. Address C-23, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

NATIONAL INSPECTION COMPANY CHICAGO, ILLINOIS

Service to Stock Fire Insurance companies for 47 years.
Inspections and Underwriting Reports.

J. G. Hubbell
H. B. Chrissinger
Managers

R. L. Thiele
R. M. Hubbell
Ass't Managers

P. A. Pederson, Chief Inspector

1794

1950

INSURANCE COMPANY
STATE OF PENNSYLVANIA

308 WALNUT STREET, PHILADELPHIA 6, PA.



**18 YEARS OF PROVEN
LOW LOSS EXPERIENCE**

NATIONWIDE SERVICE

BABACO ALARM SYSTEMS, Inc.
723 Washington St. • New York 14, N. Y.

TOP INSURANCE POSITIONS WAITING FOR GOOD MEN

Insurance Accountant...\$800.00
Bond Manager..... 625.00
Cas. Undtg. Manager.. 625.00
I.M. Manager..... 600.00
Fire Special Agent.... 500.00
A. & H. Supervisor.... 500.00
Life Agency Manager.. 500.00
Claim Manager..... 450.00
Casualty Special Agent. 450.00
Casualty Underwriter.. 450.00

FERGASON PERSONNEL

330 S. Wells Street HArrison 7-9040
Chicago 6, Illinois

WANT ADS

Rates \$13 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Monday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.
THE NATIONAL UNDERWRITER
FIRE & CASUALTY EDITION

BRANCH MANAGER WANTED

Old and substantial mid-west company wants capable life and disability producer to manage and build agency and brokerage business in new office to be opened in Chicago Loop.

Salary and incentive bonuses.

Give details of experience and success background to C-26, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

ADJUSTER WANTED

Fire or Casualty, Minnesota. Experienced man or ambitious beginner with insurance background. Salary open. Established firm. Address C-7, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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Buyers Chicago Program Nov. 16-17 Is Perfected

At the American Management Assn. insurance conference Nov. 16-17 at the Hotel Drake, Chicago, deductible fire and business interruption policies will be discussed at a session under the chairmanship of R. D. Constable of Niagara Mohawk Power Corp., of Syracuse.



P. M. Corbett



W. D. Winter

Speakers will be H. Richard Heilman, assistant vice-president of North America, and Fred W. Wrenn, manager fire department of Chubb & Son, New York. This will be the final feature the afternoon of Nov. 17.

A panel session dealing with "Broader Coverage Through Multiple-Line Underwriting Today," will consume the afternoon of Nov. 16. William D. Winter, chairman of Atlantic Mutual, will be chairman of the session, and speakers will include Baxter Gentry, secretary of Aetna Fire; C. H. Rice, insurance manager, Babcock & Wilcox Co., New York; Frederick B. McBride, vice-president of Home, and Commissioner David A. Forbes of Michigan.

The morning of November 17 there will be a talk, "Trends in Group and Social Insurance," by E. B. Whittaker, vice-president of Prudential; "New Problems in Transportation Insurance," Paul M. Corbett, president of Johnson & Higgins (of Illinois), Chicago; "Pitfalls in Valuation for Inventory and Business Interruption Insurance," Frank S. Glendening, partner of Frank S. Glendening & Co., Philadelphia.

"Indemnity Limits of Third Party Coverage," by Royce B. Rowe, vice-president of Lumbermens Mutual Casualty, and "The Atom—Your Personal and Property Risks," by E. J. Kehoe, chief, fire and accident branch, New York operations U. S. atomic energy commission, are slated for the morning of Nov. 16.

The luncheon speaker Nov. 17 will be Clayton G. Hale of the Hale & Hale agency, Cleveland, on "Insurance Problems in a Mobilized Economy."

The program was arranged by a council, headed by Russell B. Gallagher of Philco Corp., Philadelphia, who is vice-president of the insurance division of A. M. A.

Give Circumstances Surrounding Spink Loss

A story is now circulating in fire insurance circles of the circumstances surrounding the loss that was suffered by J. G. Taylor Spink of St. Louis last March that provoked him to write an editorial for the "Sporting Goods Dealer" that has caused quite a stir.

It turns out that Mr. Spink was carrying a \$20,000 personal property floater in Rhode Island Ins. Co., and \$20,000 straight fire insurance on contents in Sun and Mercury.

When the loss occurred Rhode Island had still not been placed in receivership, but it insisted that the fire companies were liable and if Rhode Island had any liability it was by way of excess.

The fire insurers, on the other hand, insisted that Rhode Island share the

loss on a 50-50 basis. Settlement of the loss was delayed and before there was any conclusion, Rhode Island went into receivership. The loss still has not been settled.

Building Men Hear Stange

Rudolph C. Stange, assistant general manager of National Board at San Francisco, addressed Pacific Coast Building Officials Conference at its annual meeting at San Diego.

He stressed the cooperation between his organization and the authorities that write building codes, as well as maintaining close relations with fire departments.

Confer on Excess Profits Tax on Insurance

WASHINGTON—Though insurance groups and other industrial groups have been coming to Washington to confer with tax experts at the capitol about their problems in connection with the proposal to enact excess profits tax legislation, rumors persist that that prospective source of revenue for national defense may be dropped.

A group of fire and casualty repre-

sentatives were scheduled to confer Oct. 26 with staff members of the joint committee on internal revenue taxation. If various segments of the insurance industry have problems they wish to talk over with joint committee experts, Colin F. Stam, chief of staff of the committee, and his associates would be glad to hear them, a committee source said.

Insurance sources said the impact of excess profits tax legislation on insurance would depend primarily on the "base period" set up in such a law.

Ray Murphy, general counsel of Assn. of Casualty & Surety companies, was expected to be in the delegation conferring with Stam and associates.

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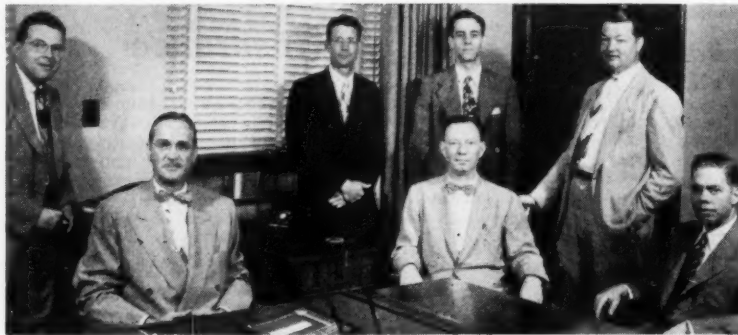
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Atlantic Mutual New Midwestern Setup



Atlantic Mutual official staff in new midwestern division office at Chicago—(from left)—T. R. Keegan, G. F. Richardson, R. S. Carter, R. W. Bowen (seated), George A. Hale, and R. S. Jordan.

The midwest division office of Atlantic Mutual and Centennial, which has been in process of organization since December, 1948, is now in full operating trim in the Board of Trade building, Chicago. The supervisory staff has been completely assembled, the quarters have been remodeled and decorated in distinctive style and the department is now ready to assume full-fledged jurisdiction of the 11 states under its wing. G. F. Richardson, the general manager, ever since arriving in Chicago in December, 1948, to set up this operation, has undertaken to perfect the organization and the physical setup before making a bid for business. This is the second departmental unit to be created by Atlantic Mutual. The first was the Pacific Coast department.

Mr. Richardson went with Atlantic Mutual in 1940 to open a Pittsburgh office. Then in 1945 he established the Detroit office.

The assistant general manager is Richard W. Bowen, who has been in Chicago since Jan. 1, 1949. Previously he was in Cleveland and before that, at Philadelphia with Atlantic Mutual. His service with that company covers a period of six years. The accent in his experience has been heavier on fire,

whereas Mr. Richardson has been primarily a marine man.

The quarters are laid out and decorated in distinctive style. In keeping with the home office tradition of no private offices, and with the banking quarter style, the executive staff works in the open at Chicago. There is one private office and in addition, there is a conference room.

Heading the ocean and lake division is R. S. Carter, river manager is George A. Hale, inland marine manager T. R. Keegan, claims manager is R. E. Kellogg and office manager is Robert S. Jordan.

The entire layout comprises 8,500 feet of space.

Expect 500 at Chicago

A turnout of about 500 is expected for the luncheon at the Palmer House, Chicago, Nov. 1, at which time the successful candidates for the C.P.C.U. designation will receive their awards at the hands of Dean H. J. Loman, American Institute of Property & Liability Underwriters of Philadelphia and Robert E. Wilson, chairman of Standard Oil of Indiana, will talk.

California Agents Name L. K. Carroll as New President

Large Attendance, Notable Program at San Francisco Annual Meeting

SAN FRANCISCO — Lorrin K. Carroll, Chico, vice-president of the past year, was named president of California Assn. of Insurance Agents at its annual meeting here.



LORRIN K. CARROLL

meeting here. He succeeds H. E. Barnhart, Visalia. There were more than 1,000 in attendance.

In his maiden talk before a state group, as president of the National association, Melvin J. Miller made a strong plea for intra-industry cooperation.

Mr. Miller emphasized that the potency of the National association rests in the strength of local groups. He pointed out that there are now 950 local associations representing a membership of more than 23,000 insurance men. With this number, he said, the agents have a great amount of political influence in state capitals and in Washington and it should be the prime endeavor of every agent to expand and broaden the industry's relations with representatives of the federal government. At present, Mr. Miller said the National association is working to assist the agents in building a position of prestige and influence in the nation's capital.

Business Highly Competitive

Frank C. Colridge, general manager of the Pacific Board, stressed that though fire insurance is a big business it is still a highly competitive one. He called attention to the fact that fire insurance is rated as one of the nation's largest industries and also it is one, he said, that thrives on competition. Though there are 300 companies doing business in the nation, the largest of these managed to capture less than 6% of the total business, Mr. Colridge said.

Putting in a plug for personal initiative was Ellis H. Carson, president of National Surety, who in his talk, "Telling Our Story," told the agents that private enterprise is to continue and prosper it will do so on its own record and second on its acceptability to the general public. Because of these factors, Mr. Carson said that free enterprise is the epitome of free enterprise. The record of the industry must be impressive because fire insurance is a business.

(CONTINUED ON PAGE 30)

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Final Texas Ruling Upholds Mandatory Wind Deductible

AUSTIN—The supreme court of Texas has overruled a motion for rehearing in the Jess D. Carter suit against the Texas board of insurance commissioners involving the board's powers in ordering a \$100 mandatory deductible on windstorm, hurricane and hail policies.

The court's action finally wipes the case off the docket and leaves the way open for the board to proceed with its plans relating to the deductible, which have been held in abeyance pending the outcome of Mr. Carter's motion for rehearing on application for a writ of error. The board has given no intimation of its program.

John North Suffers Hole in One, Collects \$400

John A. North, vice-president of Phoenix of Hartford, achieved a hole-in-one while golfing during the mid-year meeting of Southeastern Underwriters Assn. at Pinehurst, N. C., Tuesday. This will cost London Lloyds \$400 as Mr. North was owner of a Lloyds contract providing protection against a disaster of this kind. Such insurance is no longer available, having been withdrawn just after W. A. Seely, western manager of Crum & Forster, was stricken with a hole-in-one, not so long ago. Other members of the foursome when Mr. North experienced this insured loss were Gene Ransom, president of S.E.U.A.; E. L. Williams, president of Insurance Executives Assn., and Jason Woodall, assistant secretary of S.E.U.A.

Pittsburgh Directory Now Being Distributed

The Pittsburgh insurance telephone directory is now being distributed. This page book lists, in alphabetical order, the names, addresses and telephone numbers of companies and personnel transacting insurance business in Pittsburgh. Additional directories may be obtained from the National Underwriter Co. at \$1 per copy.

Druggists Get Tips

The Pharmacy Institute, which was held this week at University of Kansas, had a two-hour session Monday evening devoted to insurance, the topic being insurance coverage applicable to drug-druggists. Chairman of the panel was N. K. Elson, state agent of Great American, and George E. Erickson, New Hampshire Fire, who spoke on fire coverage; Homer H. Minnick of Central Surety At present casualty; Larry A. Magill, Kansas association inspection Bureau, covered rating questions in buildings and Paul A. Foster of Western adjustment took up loss adjustments.

Waldo Benton Harbor Speaker

C. Gilbert Waldo, new president of Michigan Assn. of Insurance Agents, addressed a gathering of Twin Cities Assn. of Insurance Agents at Benton Harbor, Mich., Monday on the socialization of insurance with medicine. He called upon the agents to ascertain the position of candidates for public office in socialized medicine. William Allen, president of the local group, introduced Mr. Waldo. John DeVries of St. Joseph spoke on the membership campaign and introduced Waldo Hildebrand, executive secretary of the state association.

I.C. Rating Bureau Elects

New companies elected to the governing board of North Carolina Fire Rating Bureau at the annual meeting last week these are: Fireman's Fund, Great American, Northwestern Mutual Fire and Travelers Fire. Godfrey Cheshire, Fidelity & Guarantee is rather. Walter Love, Grain Dealers Mutual Fire; C. R. Magill, American, and

George H. Porter, Continental, was named to the executive committee. J. Bruce Crater, Atlantic Fire of Raleigh, was appointed chairman of the executive committee, and J. F. Glass, president of Southern Fire of Durham, was reelected chairman of the governing board. Landon Hill was reelected manager.

Panger New President of Mont. Fire Underwriters

Montana Fire Underwriters Assn. at the annual meeting at Great Falls last week elected L. A. Panger, St. Paul F. & M., as president, to succeed Wilber Wolfe, Home. Frank Whitman, Fireman's Fund, is vice-president, and Del B. Cawley, Fire association, is secretary-treasurer. About 35 members were on hand. Among the guests were Harry Badger, executive secretary of the Pacific Board, and Charles W. Cook, manager of Montana Fire Rating Bureau.

N. J. Square Club to Elect

Insurance Square Club of New Jersey will hold its annual meeting at Blairstown Nov. 13. Members will be taken in buses from Newark. Following the dinner there will be a brief business meeting.

Western Loss Men Elect Gielow at Chicago Annual

E. W. Gielow, Phoenix-Connecticut, was advanced to president at the annual meeting of Western Loss Assn. at Chicago, succeeding Gilbert W. Funk, Great American.

Harry H. Woodward, Pacific National Fire, was named vice-president, and Everett H. Lammond, Fireman's Fund, secretary. New executive committee members are Leonard Zell, Hanover Fire, and Mr. Funk.

The importance of being aggressive in the resistance of fraudulent claims was considered by the principal speaker, Donald N. Clausen of the Chicago law firm of Clausen, Hirsh & Miller. Companies have not only the right but the duty, Mr. Clausen said, to resist claims based on fraud. Considering insurance settlements are involved in the determination of such an uncertain thing as actual cash value, Mr. Clausen said that it is interesting to note that the percentage for the last five years of fire claims which became a subject of litigation is less than one-half of 1%.

Mr. Clausen reviewed a number of cases in which fraudulent claims were successfully resisted through aggressive action. He told how in one case while representing companies he filed a complaint for declaratory judgment under the federal declaratory judgment act, the first time that act was successfully applied by a fire company. Assured, who owned a hardware store, was convicted of arson and sentenced to prison. In that state the contractual period of limitation in the policy has been held invalid and it was therefore possible to sue the companies at any time within six years, the statutory period of limitation. Despite the fact that the receiver in bankruptcy was attempting to collect insurance payment for creditors, a federal court jury ruled in favor of the companies, declaring the policies void.

Since that case, Mr. Clausen remarked, he has filed many suits for declaratory judgment in behalf of companies. Through such action it is possible to be aggressive in a very effective way, he said. As soon as the suit is filed, depositions should be taken, evidence preserved, and under the federal rules there is a great deal of latitude given with respect to obtaining information prior to trial and getting that information quickly.



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Final Agenda for Ohio Meet Given

The annual convention of Ohio Assn. of Insurance Agents, to be held at Columbus Oct. 30-31, will get under way Sunday with a testimonial dinner in honor of James F. Van Vechten of Akron, past president of the Ohio association and new vice-president of N.A.I.A. Dinner speakers will include Carl A. Gluck, immediate past president and now state national director, Youngstown; Harold S. Bowen, president, Norwalk; Superintendent Robinson, and Paul R. Gingher, association counsel, Columbus.

On Monday morning Karl D. Dakin of Lebanon will preside at a farm writing forum, at which speakers will be J. Bryan Wollam of Cortland and Bert R. Walinder of Chicago. Hoyt Whitney of Sunbury will preside at a local board clinic. The Delaware County board will give a demonstration of its activities. Local board clinics will be under the direction of Robert M. Bell of Springfield and Robert W. McClure of Columbus. Robert M. Clark of Hamilton will present a bank and agent program. George F. Hacker of Fort Wayne, Ind., will explain the Fort

Wayne safety program.

C. H. Eichhorn of Columbus, vice-president and nominee for president, will preside at the opening session at which State Director of Commerce Moulton will extend greetings. John C. Stott of Norwich, N. Y., past president of the National association, will speak and Mr. Van Vechten will give "Commentaries on 1931."

Hugh K. Dawson of Cleveland will preside at a legislative session. Speakers will include Arthur M. O'Connell, Cincinnati, chairman of the legislative committee; Rep. Ralph L. Humphrey, Ashabula; Secretary Theodore G. Gray, and Mr. Gingher. Mr. Bowen will preside at the business meeting Tuesday morning.

Tuesday afternoon there will be a state supervision panel, with Cyrus H. Watson of Dayton presiding. Speakers include Deputy Superintendent Pyratel, Warden L. U. Jeffries of the department, and Nelson Lancione, Bellaire, assistant attorney general. Leeds Bronson will be in charge of a sales session, at which James C. O'Connor, editor Fire, Casualty & Surety Bulletins, will explain "Sales Opportunities in New Coverages."

At the banquet Tuesday evening Dr. Walter Rowe Courtenay of Nashville will talk. Awards will be presented and

Superintendent Robinson will install new officers.

Lt. Gen. R. L. Eichelberger, retired, Washington, D. C., also is on the program.

N.A.I.C. to Sponsor No Special Trains to L.A.

The executive committee of National Assn. of Insurance Commissioners has decided that there shall be no association-sponsored special train for the insurance commissioners convention at Los Angeles in December. There had been some studies made of the possibility of a special train out of Chicago on the Atchison railroad, but this has been given up so far as the association is concerned. If any special train is run, it will be sponsored exclusively by the railroad.

Turkey Results Favorable

ST. PAUL—Turkey liability on early birds goes off Oct. 30 and so far the experience has been quite favorable. W. J. McGladry, president of Farm Owners Mutual, reports. There have been no serious losses yet but a critical storm period is ahead and his company now has its field men out inspecting flocks and housing conditions.

CANADIAN PROJECT

Move to Set Up Company-Owned Adjusting Bureau

At a recent meeting of Underwriters' Adjustment Bureau, Ltd., at Toronto which was attended by a large and representative number of insurers, tariff, non-tariff, stock and mutual, steps were taken to proceed with the rapid completion of the organization.

It is anticipated that the bureau will begin operations at an early date.

The bureau was incorporated under Dominion charter some months ago and the organization meeting has just been held.

The board of directors has not come to any decision on policy yet nor to the scope of operation of the bureau either territorially or classes of insurance.

In Canada there has never been any kind of a joint company-owned or controlled adjusting organization. The independent adjusters have had completely clear sailing.

Murray Lincoln's Anti-Taft Stand Causes Hubbub

Murray D. Lincoln, president of the Ohio Farm Bureau insurance companies, has injected himself into the Ohio Senatorial campaign by publicly supporting Democrat J. T. Ferguson against Taft. This has caused quite a hubbub in the state. Mr. Lincoln thought about entering the race against Taft himself at one time, but finally decided against that in favor of continuing with his insurance connection. The Lincoln statement supporting Ferguson, according to the Associated Press, did not say that this was the official stand of the Farm Bureau Federation, nor did it say that it comprised Mr. Lincoln's private views.

The correlating council of Champaign County Farm Bureau asked Mr. Lincoln for an explanation in view of the fact that it is the policy of the Farm Bureau Federation not to endorse or support any candidate.

Soon after Mr. Lincoln announced his support for Ferguson, the Farm Bureau issued a statement emphasizing that the organization was not endorsing any candidate, which was obviously aimed at clarifying the situation that developed by reason of Mr. Lincoln's statement.

Rain & Hail Bureau Dinner

At the annual dinner of Rain & Hail Insurance Bureau at Chicago, Ernest B. Harris, Amarillo; George S. Hansen, Minneapolis, and Joseph J. Fleming, Chicago, were welcomed into the 25-year club. Present were field men from all over the U. S. and Canada and head office employees. In addition to James B. Cullison, Jr., who founded the bureau in 1919, only five other persons have earned membership in the 25-year club of this organization which manages the rain and hail business for Aetna Fire, North America and Springfield F. & M.

Utah Adjusters Elect

Leon Fouts, Intermountain Adjusters Co., was elected president of Claim Adjusters Assn. of Utah at the annual meeting at Salt Lake City. Vice-president is Ralph B. Ottenheimer, Transportation Insurance Agency; secretary, Everett A. Kunz, Farmers Inter-Insurance Exchange.

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MUTUAL AGENTS PARLEY ENDS

Discuss How to Get Cover to Value, Other Problems

NEW YORK—An outstanding feature of the convention of National Assn. of Mutual Insurance Agents here was the forum on agency operation. W. E. Billings, Niagara Falls, chairman agency management committee, was moderator. Other members were Ruth G. Stout, Washington, D. C.; L. J. Bloche, Philadelphia; J. L. Norton, Charlotte, N. C.; H. W. Legg, Baltimore; R. R. Lawrence, Dayton; Walter Taylor, Rochester, N. Y.; Ernest Smith, Worcester, Mass., and Floyd H. Craft, Greensboro, N. C.

Philip L. Baldwin was renamed executive secretary. The convention closed with a banquet.

Getting Insurance to Value

The agency management discussion revealed that at least some agents have taken the bull by the horns and are partially solving the problem of insurance to value in these days of rising prices. Mr. Lawrence posed the problem when he pointed out that the cost factor for mutual agencies with their somewhat lower commission income is probably more serious than for stock company agencies. Agency costs are going up, and one answer is to build up the per policy premium. He said this was \$52.40 in his own agency.

Last spring, realizing that policies are not up to present day values, Mr. Billings with April renewals started in his agency mandatorily to increase the amounts of coverage. He has found that this idea pays off, both for insured and for the agency. Less than 1% of the premium volume has been lost because

insured resented the action of the agency, he said. This compares with an average mortality of business of 7.5% for all causes, year in and year out, including death, removal of insured from the locality, going out of business, etc.

Didn't Notice Doubling of Cover

He cited the instance of one insured for whom he doubled a \$2,000 household furniture policy. Insured did not even notice the increased amount or increase in premium. Mr. Lawrence interjected that by doubling the \$2,000 H.H.F. policy to \$4,000, the agency increased its commission from slightly over \$3 to something over \$6, which removed it from the category of an unprofitable item to the profit side of the ledger.

Since April the agency has continued to increase policies wherever it believed such an increase warranted. Mr. Billings' philosophy is that if insured does not have enough confidence in the agency's insurance counseling ability, he can take the business elsewhere. He is satisfied in his own mind that he is doing a real service to insured. He illustrated this with a story of a recent telephone call. Insured told him his house was on fire, and when Mr. Billings arrived insured was quite nervous about not having insured his household effects or the dwelling sufficiently. Mr. Billings assured him he had increased his coverages, and it turned out that there was plenty of insurance to cover the loss. Both insured and his wife were greatly relieved and quite grateful.

Mr. Billings includes a note with renewals where coverages are increased.



New officers elected at the annual meeting of National Assn. of Mutual Insurance Agents at New York last week: Standing, from the left, Philip L. Baldwin, executive secretary; R. E. Hill, Chattanooga, new president; John H. Kroll, Washington, treasurer. Seated: Claude P. Coates, Fort Worth, and Henry D. Bean, Haddonfield, N. J., vice-presidents; W. M. Ritter, Fayetteville, Ark., secretary; Gene S. Wilson, Minneapolis, and George F. Jones, Charlotte, N. C., vice-presidents.

This is written mostly in long hand to the effect that "as your insurance counsellors, we believe you should carry at least this much protection—and probably considerably more." About 10% of those whose amounts were increased on renewal call in to have the amount made larger.

On buildings, of course, an inspection is necessary. On contents the agency can set an increased figure that is in tune with the times fairly readily on the basis of general cost increases. For example, about 35% of the homes in Niagara Falls now have television sets. Mr. Billings checked with the bank that does most of the financing and learned the average payment is about \$279. There have been two 10% increases in rug prices since June.

Mr. Billings feels that he can make the amount increases skillfully enough

because he knows his policyholders well. If insured works in a factory or drives a truck, he doesn't have as many suits as a white collar worker. He mentioned the case of a doctor who carried a \$2,000 household furniture policy without extended coverage, yet the doctor had more than \$1,000 worth of phonograph records alone and his guns were worth more than \$2,000. Most price rises in the furnishings field affect insured countrywide so that a recommendation good for Georgia is sound in New York state.

He thinks insured is entitled to the more adequate protection. He also thinks that the insurance companies are entitled to the additional premium.

On buildings, he makes a personal inspection. He insists on getting the sound value because of coinsurance. (CONTINUED ON PAGE 24)



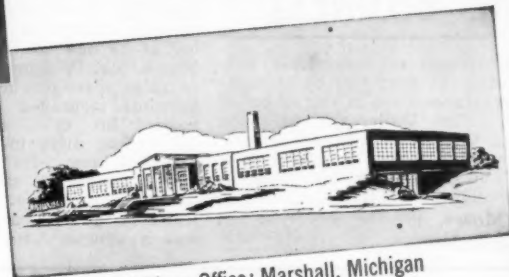
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EDITORIAL COMMENT

Book Learning Does Not Breed Pedants

Though increasing respect and popularity have been earned by the educational movements within the insurance industry, formal education in the insurance business and in general still finds plenty of detractors. It is possible that some of these deprecators of the impressive strides that have been made are motivated by the necessity to cover up their own indolence. As Jacques Barzun recently pointed out in an essay on "the educated man" in "Life" magazine, the better educated are secretly envied by those who have the uncomfortable feeling that they ought to increase their knowledge but are not willing to expend the energy necessary to do so. As Mr. Barzun puts it, it is embarrassing to many that in this country they have no valid excuse for not being educated unless they lack the necessary mental equipment. For in America educational opportunities are in the reach of almost everyone. Certainly in the insurance business there are very few persons who do not have the mental equipment that will enable them to benefit from one or more of the courses of instruction offered. These classes are financially within the reach of any man who is willing to spend some of his own time and effort.

Then there are those who say "Ah, but common sense and experience are much more important than book learning." Certainly both of these qualities are highly important. As Joseph Addison commented in the "Spectator" (no relation to the insurance journal) back in 1711, "The truth of it is, learning, like traveling, and all other methods of improvement, as it finishes good sense, so it makes a silly man 10 thousand times more insufferable, by supplying variety of matter to his impertinence and giving him an opportunity of abounding in absurdities." We are assuming that the man who enters upon education in the insurance business or elsewhere starts out with common sense and that valuable experience will accrue to him as a

matter of course.

The skeptic may reply, "A man who has his nose deep in books runs the danger of being a pedant." To which same charge, no new one by any means, Mr. Addison has made the observation in the same issue of his journal, "A man who has been brought up among books, and is able to talk of nothing else, is a very indifferent companion and what we call a pedant. But, methinks, we should enlarge the title and give it to everyone that does not know how to think out of his profession and particular way of life. . . . a mere courtier, a mere soldier, a mere scholar is an insipid pedantic character and equally ridiculous." And so, we might add, is a mere insurance man.

It is impossible to amass too much knowledge of insurance. There is a time to talk insurance and then the man with the superior understanding can hit it the hardest. But the fellow who is to have the greatest success in his relations with other people is he whose interests range beyond his narrow job, who can display a broad versatility in his knowledge as a result of self-education or schooling of a more formal kind. This applies to the insurance man whether he be salesman, executive, technician, or clerk.

All of which is a strong argument for having young men who enter the insurance business as liberally educated as they can possibly afford to be and as their limitations will allow them to be. And when they have embarked upon their insurance careers, it is equally important that they keep on learning on their own and also take advantage of the many opportunities for furthering their education that are offered in the insurance business by the individual companies, by associations and by colleges and universities. There is much in these courses of broad background value giving insurance men a look into allied fields as well as into the possibilities of their own jobs.

PERSONAL SIDE OF THE BUSINESS

Henry B. Pence, Ohio special agent of American with headquarters at Dayton, has entered the army air corps. He was about to be transferred to Kentucky.

Donald H. Chadwick, assistant secretary of Atlantic Mutual, was honored at a ceremony by Insurance Society of New York by the presentation of a \$100 prize awarded by Sterling Offices, Ltd.,

for the best essay on reinsurance submitted during the past year by students of the reinsurance class at the school of insurance. Paul Willemson, president of Sterling Offices, made the presentation. The essay was on the operation of the American Cargo War Risk Reinsurance Exchange in the last war.

W. C. Moore, director education and research for General Adjustment Bu-

reau, has returned to New York by air after a five weeks trip to the British Isles, Switzerland and the Scandinavian countries. Although the trip was technically a vacation, Mr. Moore visited a number of British insurance organizations.

Fred A. Moreton, former president of National Assn. of Insurance Agents and now director of National Assn. of Casualty & Surety Agents, has been elected a director of Walker Bank & Trust Co., Salt Lake City.

Dan Gallagher of Western Actuarial Bureau, Chicago, is vacationing at Miami Beach and was in the midst of the hurricane that struck there.

John C. Leslie, editor and publisher of "Insurance Record," of Dallas, will be married Nov. 1 to Miss Ollie May Clay, daughter of Ollie Clay, a retired telephone workman of Dallas.

Lester T. Jones, president of Town Mutual Dwelling Fire has been elected a director of National Life of Des Moines, to fill a vacancy caused by the recent death of B. Rees Jones.

T. Morgan Williams, vice-president and secretary of Home, has been elected a director of the New York chapter of American Red Cross.

Lewis A. Vincent, who will become general manager of National Board on Jan. 1.



DEATHS

NORMAN C. WITT, 52, supervisor of the automobile rating branch of the Illinois insurance department, died of a cerebral hemorrhage at his office in Springfield.

Mr. Witt had been with the department since 1944 and before that for 10 years with Fireman's Fund at Chicago in the accounting department. He had been with Sun at Chicago from 1929 to 1934 and previous to that had been with Pennsylvania Fire and Fred S. James.

EUGENE F. WILLIAMS, who was vice-president in charge of sales of the Allstate companies of Sears, Roebuck & Co., died at his home at Winnetka, Ill., at the age of 56. He had been ill more than a year and the last time he made an appearance at Allstate was the day of the housewarming at its new head office building last March. Mr. Williams went with Allstate as sales manager in 1940. He had no previous insurance experience but he applied his sales management ability and selling drive to the field of insurance with conspicuous success. He had been engaged in sales work for concerns that had done business with Sears, Roebuck & Co., and also his father was a veteran with Sears, so he had

an extensive acquaintanceship with Sears. He possessed uncommon vitality. He graduated at University of Chicago in 1917 and was in the merchandising field, mainly in the east, until going with Allstate.

CHARLES E. CORMANY, 72, veteran member of the Milwaukee Board and retired member of Corman & Bird agency, died after a long illness. He also was a member of Blue Goose.

HAL M. RICKETTS, 65, local agent at Covington, Ky., died there of a heart attack. He became ill while returning from a trip to the home office of Shendoah Life, for which he was general agent. His death followed that of his wife by 18 days. Mr. Ricketts was an aviation enthusiast and was a member of the board which operates the Greater Cincinnati airport. He was a former postmaster of Covington.

ANSEL J. BUDDENDORF, 49, of the Sinclair Agency, general agent for Travelers at New Orleans, died there suddenly.

LUCIUS TETER, prominent Chicago business consultant, who died at the age of 78, was a director of Liberty Mutual.

CHARLES F. LARRABEE, 55, president of the Larrabee agency at Bellingham, Wash., died in a San Francisco hospital. He had undergone an operation at San Francisco last June, returning recently for a second operation.

JOY A. MARTIN, 48, Flint, Mich., local agent, died after six month illness. He had operated his agency for about 20 years.

DR. WALTER L. STETNER, Milwaukee physician, a former insurance man and brother of George E. Stetner, Kentucky state agent of North American died at Milwaukee. The Stetner brother took the insurance course at Northwestern University, sponsored by Fire Association, in 1926. Dr. Stetner spent several years with Fire Association at Chicago but left insurance in 1931 to resume his study of medicine.

CECIL H. JULIAN, 60, of Julian-Meyer agency, Columbus, O., died unexpectedly late Tuesday.

S. F. O'Connor and Lofink Are C. & R. Secretaries

Corroon & Reynolds has promoted from assistant secretary to secretary Stephen F. O'Connor, head of the southern department, and Fred Lofink, in charge of the western department.

Until going to Corroon & Reynolds three years ago, Mr. O'Connor was with London Assurance about 20 years. He was in the New England field.

Mr. Lofink has been with the group for 18 years, most of his underwriting experience being in the midwest.

Pilot Writing Hospital Cover; Hunter in Charge

Pilot Life has entered the hospitalization field, both individual and family.

Floyd M. Hunter, formerly with Carolina Casualty, is manager of the department.

Name Brooks President

Haverhill (Mass.) Board of Underwriters has elected Phillips F. Brooks president. The new vice-president is Anthony J. Basso and H. Tenney Gage was named secretary.

THE NATIONAL UNDERWRITER

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SAN FRANCISCO 4, CAL.—507 Flatiron Bldg. Tel. EXbrook 2-3054. F. W. Bland, Pacific Coast Manager. John E. Caughman, Pacific Coast Editor.



Gives View Policy

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THURSDAY

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Martin, Vice

o E. Fourth

Gives Contrary View on Small Policy's Cost

From an anonymous reader:
While reading through THE NATIONAL UNDERWRITER of Oct. 12 I noticed the editorial, "The Evidence at Lima."

I, for one, am of the opinion that this subject of cost accounting and making

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Offices and Representatives Abroad To Service Your Clients

the small policy pay its way has been carried too far. To my way of thinking the local agent is in a somewhat similar position to the local grocery store. If the grocery store had to assign the approximate overhead to every nickel box of salt or 10 cents worth of candy that it sold the price of these articles would be way out of relationship to their value. However, when viewed as an overall operation it is my own opinion that the picture is not so bad.

I am not convinced as yet that the small dwelling policy, when considered from all sides, is still not the most desirable piece of business and very necessary in order to offset the catastrophe possibility encountered in the larger lines.

Program Features Given for Ill. Agents Parley

First place award in the high school driving education program sponsored by Assn. of Casualty & Surety Companies has been won by Illinois. This will be presented to the governor or his representative at the luncheon meeting, Nov. 14 during the annual meeting of Illinois Assn. of Insurance Agents at Springfield.

The afternoon program that day will consist of an address by Wayne Guthrie, columnist for the Indianapolis "News," on "Ringside Bikini." He was a spectator at the atomic test at Bikini. His report of the action at Bikini has been made 769 times in practically every state, as well as foreign countries.

On the morning of Nov. 13 there will be a closed meeting for agents to hear the report of the administration, the officers, and the committees. There will be discussion of anti-coercion legislation, countersignature laws, improved membership qualification laws, and commissions.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago
Oct. 24, 1950

Aetna Casualty	3.00	105 1/2	107 1/2
Aetna Fire	2.20*	60 1/2	62
Aetna Life	2.50	59	61
American Alliance	1.20	25	26
American Auto	2.00	46	48
American (N. J.)	.90	20 1/2	21 1/2
American Surety	3.00	63	65
Boston	2.40	61	63
Camden Fire	1.15*	21 1/2	22 1/2
Continental Casualty	2.50*	66 1/2	68
Fire Association	2.60	61	63
Fireman's Fund	2.60	94	96
Firemen's (N. J.)	.70	21	22
Glens Falls	2.20*	50	52
Globe & Republic	.50	12	13
Great American Fire	1.30*	30 1/2	32
Hanover Fire	1.60	33	34 1/2
Hartford Fire	3.00*	127	130
Home (N. Y.)	1.60	34 1/2	35 1/2
Ins. Co. of North Am.	3.50*	115	117
Maryland Casualty	.80	18 1/2	19 1/2
Mass. Bonding	1.60	28	29 1/2
National Casualty	1.50*	34	Bid
National Fire	2.50*	60 1/2	62
National Union	1.60	35	36 1/2
New Amsterdam Cas.	1.50	38 1/2	40
New Hampshire	2.20	43	44 1/2
North River	1.20	26	27
Ohio Casualty	1.20	61	Bid
Phoenix, Conn.	3.00*	78 1/2	80
Preferred Accident	1.00	3 1/2	4 1/2
Prov. Wash.	1.40	32	33 1/2
St. Paul F. & M.	3.00*	105	108
Security, Conn.	1.80*	33	35
Springfield F. & M.	2.00	45	46 1/2
Standard Accident	1.60	35	36 1/2
Travelers	12.00	470	480
U. S. F. & G.	2.00	50 1/2	52
U. S. Fire	2.00	66	68

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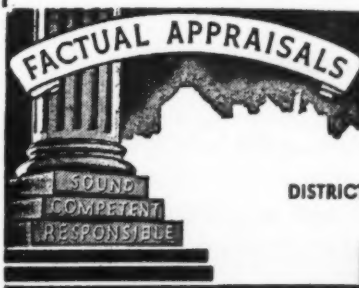
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G. A. Timm New Wisconsin President

Ashton Attacks W.A.B. for Lack of Cooperation

MILWAUKEE—In a blistering attack charging Western Actuarial Bureau with lack of cooperation, J. L. Ashton, president Wisconsin Assn. of Insurance Agents, Milwaukee, at the annual meeting here, said that he knows of no more bureaucratic bureau in the United States. He termed the bureaucratic management of W.A.B. such that some company managers have become timid and offer no protest to actions detrimental to agents.



J. L. Ashton

In offering proof for this statement, Mr. Ashton cited a new dwelling form which is filed in some states, including Wisconsin, but which Wisconsin has not yet approved. When Wisconsin agents could not obtain a meeting with W.A.B. or the Wisconsin management committee, prior to the filing of the form, they appealed to the commissioner for a hearing. Present at the hearing were three officials of W.A.B., four company managers, all members of the Wisconsin management committee, and seven either present or past officers of the association.

Certain agreements were reached at the meeting, Mr. Ashton said, and he mentioned a letter received from an official of W.A.B. wherein these agreements were confirmed. The agents' protest was referred to the Insurance Executives Assn., which in turn referred it to N.A.I.A. The Wisconsin agents said that if the National association would approve the form, they would withdraw their objections. The national group, however, refused to take action on the form but did go on record as concurring with the Wisconsin agents and asked the companies to settle it in a manner satisfactory to both factions.

Mr. Ashton then mentioned a later letter from a W.A.B. official in which it was stated "it must not be overlooked that this was not an official meeting of the committee and it could not be interpreted as such inasmuch as the two mutual members of the committee had not been invited to be present."

To this Mr. Ashton said "we did not know who was invited to this meeting nor did we have any responsibility to inquire as we naturally assumed all members were notified. We do know that the four company representatives were members of the Wisconsin management committee. Nothing was ever said to us that the meeting was not official at the time it was held. The first information that we had that the meeting was not official was in the above quotation from the letter from the official of W.A.B., received almost eight months after the meeting."

Termining this rather backdoor approach to invalidate the meeting, Mr. Ashton said it is not inconsistent with

NEW OFFICERS

President — George A. Timm, Kenosha.
Vice-president — Don R. Morrissey, Appleton.
Secretary — Don Gottschalk, Milwaukee.
State national director — John H. Carney, Eau Claire.

operations of W.A.B. "Past presidents of your association have experienced it before," he remarked. He emphasized that member companies should become cognizant of the situation and should take the necessary steps to rectify it.

Since insurance has been declared to be interstate commerce, and the states at the behest of the companies have passed regulatory and other laws in order to retain state regulations, it follows that rating bureau management must become oriented to the new way of life, Mr. Ashton observed. "There is no place in this great business of insurance—the very foundation of which is the public interest—for the dictator. The management of our bureaus must be by men possessed of skill, but also diplomacy and a willingness to sit down and deal the cards face up on top of the table to all of the players."

Mr. Ashton said that problems could be worked out very simply if the Wisconsin management committee would be willing to sit down with agents and officials of the department. In no other way will anything ever be accomplished, he stressed, adding "no one regrets more than I, the breach that exists between producers and companies, and I believe I am suggesting the only possible way for that breach ever to be closed. It is through men, not bureaucrats, sitting down across the table, discussing openly these problems, that the cure will come to a disease with which the industry is so shamefully affected."

Would Welcome Federal Control

Commenting on the many problems that face the business today, Mr. Ashton said the specter of federal regulation is looming large because of the apparent disinterest of company managers. "From many talks and discussions I have had with company officials, reading various statements made by them in trade journals, and knowing, not so much what they have accomplished, but so much that they have not accomplished, I am firmly convinced that many top executives of our companies would welcome federal supervision of insurance," Mr. Ashton said.

Mr. Ashton congratulated the Wisconsin Fire Insurance Rating Bureau for its continuing interest and assistance in helping solve agents' problems. "I believe that one of the biggest mistakes of the fire companies is their failure to completely utilize the talents and ability of bureau personnel," Mr. Ashton said. Salaries are far from adequate, he pointed out. Compensation should be such to make it a career rather than a temporary training ground for other work.

In order to preserve states' rights and prevent the business from coming under federal control, Mr. Ashton recommended that the legislature institute legislation that will actually place control of agents, as well as companies, in the hands of the department. He said he believes the present laws giving the department regulation over companies and practically none over agents are inconsistent and not in the public interest.

Mr. Ashton exhibited the Sparlin Cup which was presented the Wisconsin association at the Chicago convention of N.A.I.A. for rendering the most outstanding service to the American agency system during the past year. He credited the award to the farsightedness of past officers and the active cooperation on the part of every member.

Kenosha Insurance Leader Named at Milwaukee Annual

Don Morrissey New Vice-President, Carney, Gottschalk Are Reelected

MILWAUKEE — George A. Timm, Kenosha, was elected president of Wisconsin Assn. of Insurance Agents at the annual convention here. He succeeds J. L. Ashton, Milwaukee, who becomes chairman of the board replacing Charles L. Manson, Wausau.

Don R. Morrissey, Appleton, was



J. H. Carney



Urban Krier

elected vice-president, and Don Gottschalk, Milwaukee, reelected secretary. John H. Carney, Eau Claire, continues as state national director. Lyle Benedict, Platteville, and Mr. Morrissey were elected to the board. Urban Krier continues as executive secretary.

Mr. Timm, after entering the banking business in 1923, became one of the youngest trust officers in the nation. He assisted in the liquidation of national banks during 1932 to 1937, after which he entered insurance. Mr. Timm has been active in local, state and national association affairs. He is a past president of the Kenosha board, has served as chairman of the accident prevention committee, as a member of the executive committee and as vice-president of the Wisconsin association.

Hear of Fort Wayne Program

The outstanding program of fire prevention as well as of school and highway safety by Assn. of Insurance Agents of Fort Wayne, Ind., featured discussion at the pre-convention dinner conference of local and state association officers. Mr. Krier was toastmaster.

The address on the fire prevention program by George C. Hood, chief of the Fort Wayne fire prevention bureau, was beamed at the necessity of a good educational program. He described what Fort Wayne did about fire prevention with the aid of agents, pointing out that such cooperation is good, sound public relations for agents.

The Fort Wayne association was awarded first place in its population class for the most outstanding job of school and highway safety throughout the country at the N.A.I.A. Chicago convention. The safety public relations program was described at the dinner by Harry Perriguet of the Fort Wayne association.

The safety program was made the association's principal aim, Mr. Perriguet said, because it was most able to enhance public relations. He stressed the importance of connecting any public relations program with individual agents

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rather than just the association. The Fort Wayne association does this by running twice a year a full page advertisement carrying pictures of all members. "Without such advertising," he said, "our work would be in vain insofar as acquainting the public with those supporting the project."

New Developments Told

New developments in the various divisions of fire and casualty insurance during the past year were described by a representative company man from each division at the Thursday morning session. Harold C. Watson, Milwaukee, chairman of the state publicity education committee, was moderator.

In discussing surety insurance, T. F. Eader, assistant manager fidelity and surety lines, Travelers, Milwaukee, emphasized the marketing of public employee blanket bonds.

"While it is true that public employee blanket bonds have been available for some time," Mr. Eader said, "it has only been within the last year that the forms and rating procedure have been such that a real avenue of selling has been opened for the local agent."

Mr. Eader also discussed the different forms of that type of bond that are now available and just how the bonds are rated. He also gave the agents some hints and suggestions for developing this fertile field.

J. M. Birmingham, Jr., marine supervisor of Home, Milwaukee, in reviewing marine developments explained that chaotic economic conditions and the Korean war have greatly increased ocean marine competition. Terming such business by no means dormant, Mr. Birmingham said it is more active from the standpoint of solicitation than it was before the last war.

Explains F.A.S. Proviso

A good many manufacturers have amended their terms of sale to F.A.S., which means free alongside vessel (named port of shipment) Mr. Birmingham said. Under this term the seller quotes a price including delivery of the goods alongside overseas vessel and within reach of its loading tackle. The obligation to obtain ocean freight space, marine and war risk insurance rests with the buyer. Despite this obligation, in many instances the seller obtains ocean freight space, marine and war risk insurance, and provides for shipment on behalf of the buyer. In others, the buyer notifies the seller to make delivery alongside a vessel designated by the buyer, and the buyer provides his own marine and war risk insurance. Naturally, the seller and buyer must have an understanding as to whether the buyer will obtain all of these features, as is his obligation, or whether the seller is to do this for the buyer.

Walter Bremer Speaks

For the protection of the seller, Mr. Birmingham recommended that he provide in his contract of sale that marine insurance obtained by the buyer include standard warehouse to warehouse coverage. He advised that, if agents have any ocean marine accounts that appear to have been dormant, they should ascertain if the shipper amended his sales to F.A.S. terms because the present ocean marine contract may be amended to include this feature.

There have been many run-of-the-mill changes in the casualty lines during the last year, but the most outstanding relate to the new garage liability policy, the new plate glass policy, some recent developments in farmers comprehensive and comprehensive personal liability forms, Walter Bremer, Hartford Accident, Chicago, pointed out.

While garage insurance is no innovation, the new approach in affording the coverage along with garage liability, makes it an important change. He emphasized that a careful study of the manuals will turn up information valuable in the quest for added premiums.

Corlett R. Wilson, editor Professional Agent, Rockford, Ill., warned that if professional agency standards are not

developed the American agency system will cease to exist.

Theodore MacGregor of Park Falls was guest of honor at the banquet. Because of his high scholastic standing, Mr. MacGregor, a student at the University of Wisconsin, last spring received the \$250 insurance scholarship donated annually by the Wisconsin association.

Miss Shirley Rostal, a high school junior at Merrill, was presented \$100 by Safety Director R. C. Salisbury on behalf of the association, for having written the best essay on how to reduce traffic accidents among youthful drivers.

Leslie M. Anderson, Travelers fidelity and surety manager, Milwaukee, as chairman of the Wisconsin accident prevention committee and as representative of Assn. of Casualty & Surety Companies, presented the Superior Award bronze plaque to Lt. Gov. Smith as representative of the state. The award was given for maintaining adequate driver training courses in more than one-half of the secondary schools with more than half of all eligible students enrolled.

Other speakers and their subjects were Ralph Berry, American Appraisal Co., Milwaukee, "The Determination of Actual Cash Values"; Fred C. Crowell, Jr., editor Insurance Field, "The Future of the American Agency System," and Mr. Carney on "The National Association and Its Importance to You." New developments in fire insurance were described by H. L. Mauritson, Wisconsin state agent for Fireman's Fund. Richard Heins, University of Wisconsin, reviewed new developments in agency management.

A special program for ladies included a tour through the Chester Allis art library.

Mich. Decision on Escott Plan to Be Delayed

LANSING, MICH. — Commissioner Forbes said this week it will be six weeks to two months before he will be able to give a decision on whether the Escott plan for multiple location risks will be accepted for Michigan.

A two-day hearing on the plan was conducted late last week with representatives of America Fore combating the proposal as "unfairly discriminatory." It was represented by George R. Carey, Henry C. Barkstedt, assistant secretary and Robert Loeffler, attorney.

Commissioner Forbes presided and Elbern Parsons, chief assistant attorney general, served as legal representative for the state in the absence of Maurice Moule, the department's usual legal adviser, who has been ill.

Michigan Inspection Bureau, which sought to file the plan for use in this territory, was represented by Charles P. Butler, T. D. McCarl, manager Multiple Location Service Office, and Walter T. MacKinnon, General Cover Underwriters Assn., all of New York.

Preparation of the transcript alone will take from two to three weeks, Commissioner Forbes was told, and the appellants protesting the plan asked the right to file a brief after they receive the transcript. The commissioner granted this request, adding to the probability of delay.

Howard Resigns Toledo Post

Bruce R. Howard, who for 16 years has been Toledo manager for Loyalty group, has resigned effective Oct. 1 and is vacationing in the south with Mrs. Howard. He will announce his new connection about Dec. 15.

Seek \$12,500 in Subrogation

RACINE, WIS.—Twelve insurance companies have filed three suits totaling \$12,500 in Racine county circuit court against the Badger Paint & Hardware Stores to recover losses paid to occupants and owner of an adjoining building as a result of a fire at the paint store Nov. 4, 1949. The companies charge carelessness and negli-

N.A.I.W. Officials at Topeka Gathering



The executive board of National Assn. of Insurance Women gathered at Topeka for a two-day business session. The association now has 136 locals with some 10,000 members in 45 states, District of Columbia and Hawaii. The group was formed in 1940 at Denver, with 17 clubs represented. Pictured here, front row from left, Miss Mary Gambill, Little Rock, Ark.; Miss Gladys Main, Seattle; Miss Emily Casford, Wichita; Mrs. Eleanor Sage, Topeka; Mrs. Hazel Gray, Topeka; Miss Christine Sachs, Milwaukee; Miss Maida Dunn, Madison, Wis. Back row from left, Mrs. Peggy Lutes, San Francisco; Mrs. Eleanor Smithson, Washington, D. C.; Mrs. Nettie Lee Owens, Oklahoma City; Mrs. Christine Buchwald, Cleveland; Miss Margaret Healy, Boston; Miss Eleanor Smyth, Philadelphia; Miss Genevieve Wiese, Indianapolis; Mrs. Josie Dean, Birmingham, Ala.

gence and violation of a city ordinance relating to the burning of rubbish on the part of employees of Badger Paint. The paint store suffered building loss of \$10,936, and the contents loss was \$28,091.

The fire companies seek to recover about \$500 property damage paid to four apartments; \$10,936 to Klinkert

Realty Co., owner of the building, and \$1,008 to Lakeshore Theater Corp., owner and operator of the Uptown Theater.

John E. Cullender, local agent of Lake Mills, Wis., has been ordered to report to Chantute Field, Rantoul, Ill., for a year's duty as a radio instructor.

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California Minimum Benefit Rules Finally Promulgated

Some Changes Made That Companies Asked—New Procedure on 9 Points

The final draft of the regulations putting into effect the California minimum benefits law for A. & H. policies has been promulgated by Commissioner Downey. It contains several modifications from the last previous draft, along the lines requested by the companies, one of the most important being the reduction in the minimum benefits payable for loss of time from \$12.50 a week, or \$50 per month, to \$10 and \$40, with half that amount for industrial policies.

Accompanying the new draft is an extended statement in regard to the hearings held, including the challenge made regarding the constitutionality of the statute and any regulations thereunder. In that connection it is stated that the presumptions are in favor of the constitutionality of the statute and since the insurance commissioner is an administrative rather than a judicial officer, his actions under the statute must be predicated on the assumption that the legislature did not exceed its powers in enacting it. Reference also is made to the suggestion that the matter contained in the regulations goes beyond the rule-making authority of the commissioner. This is rejected "as being without merit."

Departure on Nine Points

The statement summarizes the effect of the statute as being to outlaw for future issuance or delivery in the state any disability policy in which any benefit, or the benefits as a whole, are not sufficient to be of real economic value to the insured.

There are at least nine points on which the regulations constitute a departure from present procedure in other states. The first is to list the exceptions, limitations and reductions which will be allowed in California, all others being barred. There are 17 of these which apply to accident and health insurance generally, 10 applicable to accident only, and 12 to sickness coverage only.

The subject of waiting periods was especially controversial, with drastic restrictions sought by the department. As finally drafted, a 30-day waiting period is allowed in all cases, with up to 10 months in six specific classes.

Loss of Time Benefits

The restrictions on loss of time benefits go to the very heart of the new statute. As mentioned, the minimum was finally set at \$10 per week, or \$5 after age 59. Elimination periods cannot exceed 90 days where the benefit is less than \$25 per week, or 180 days in other cases.

The minimum period of payment is two weeks under accident or four weeks under sickness for hernia; four weeks for pregnancy, childbirth or female conditions; 26 weeks in case of other benefits less than \$15 per week and 13 weeks in all other cases.

The final draft provides that the limits as to amount or time shall not apply to non-confining or partial disability. The department had sought to relate these to confining or total disability payments.

The minimum for accidental death is

A. W. Spaulding of Hartford Accident to Retire Jan. 1

A. W. Spaulding, who has been vice-president of Hartford Accident since 1945, will retire Jan. 1. He has been with the company since 1921.



A. W. Spaulding

President Paul Rutherford, commenting on the retirement, said that Mr. Spaulding has been responsible for many plans and programs that have contributed substantially to the growth of the company. He has been active in business development, sales promotion, advertising, educational, and agency work. The national survey that Hartford Accident recently conducted that developed information that has never before been available is a program for which Mr. Spaulding deserves full credit. Mr. Rutherford said. He also was largely responsible for the development of the Hartford training center.

Mr. Spaulding is a graduate of the University of Massachusetts. He served overseas in the first war and with Hartford has been assistant manager of the advertising department of the fire company, manager of the production department of Hartford Accident and associate manager of Hartford Accident's agency department. He was elected assistant secretary in 1936 and secretary in 1939. He has been president of Hartford Advertising Club, director of Connecticut chamber of commerce and a trustee of Hartford College of Insurance.

set at \$100 in industrial insurance, or \$200 in all other cases, with corresponding limitations on dismemberment.

Payment for at least 21 days is required in case of daily hospital and nurse benefits, with elimination limited to 12 days when the amount is less than \$10, or 30 days in all other cases, and the minimum amount per day is \$3, except that it may be \$2 for the first 12 days and \$4 thereafter. The minimum for miscellaneous hospital benefits is \$30, or if they are included with daily benefits, the aggregate shall be \$105.

Where hospital benefits are expressed as increases of loss of time benefits, minimum must be \$5 per week or a total of \$25. It is provided, however, that this section does not apply to a benefit expressed as increase in the loss of time benefit during hospital confinement, which is in the part of the policy containing the statement of the loss of time benefit and not separately stated or designated as a hospital benefit. This would serve to exclude most of the policies in which the benefits are stated in that way.

Limits Under Blanket Forms

Blanket medical, hospital, nurse and surgical benefits must aggregate \$250 or \$1,000 for polio or other specifically listed diseases. Deductibles are limited to \$300, 50% of the expense incurred, or 50% of the expense incurred above some amount not greater than \$300, the latter provision taking care of catastrophe coverages, such as that offered under the Liberty Mutual plan.

The surgical schedule minimum is \$5 to \$100 and for medical service \$3 for home call and \$2 for office or hospital call, with an aggregate of 30 days or \$75, or \$75.

Government Employees Ins. Co. of Washington, D. C., has been licensed in New Jersey.

Small D.B.L. Cases Provide Quarter of Premiums

An analysis of statements filed by New York employers reporting temporary contributions to the special fund for disability benefits during the first quarter of 1950 showed that 119,466 employers, each having less than 25 employees, have come under the new law, according to Mary Donlon, chairman of the state workmen's compensation board. They represent annual payrolls of almost \$3 billion.

These are the first statistics on the disability benefits law to be released. They indicate that small cases represent 80% of the total number of employers but only one-fourth of the total of employees and that bigger cases made up the bulk of the D.B.L. volume from the premium viewpoint.

Group men are still waiting for detailed statistics on over-all D.B.L. production results.

The announcement was made at a meeting of the disability benefits advisory committee, the insurance members of which are Henry D. Sayer, general manager Compensation Insurance Rating Board, and Reinhard A. Hohaus, actuary Metropolitan Life, representing Life Insurance Assn. of America. More than 200 claims men attended an all day session designed to coordinate and expedite claim procedure under the new law.

Small Assessment

Miss Donlon reported that receipts of the fund from which benefits are payable to disabled unemployed have exceeded expectations and were above \$10 million. "With full employment reducing the unemployed claims," she said, "there is a good prospect that the first annual assessment next April will be relatively small." This is encouraging news to group insurers.

The figures show that about 25% of all reported payrolls paid to employees by 80% of the employers went to workers in groups of less than 25 employees. They could not have had group A. & H. coverage before the disability benefits law was in effect, because of the statutory group minimum of 25 lives, she said.

The figures indicate that the total number of employers in the state is 150,000, or 20,000 less than the original D.B.L. market estimates. About 20% of the state's employers make up three quarters or \$9 billion of the total payroll.

Honor Hardware Mutual Official

Directors of Hardware Mutuals of Stevens Point and their wives honored their chairman, Louis Hirsig, Madison hardware man, and Mrs. Hirsig at a dinner. They recently celebrated their golden wedding anniversary. Mr. Hirsig has been a director since 1914. Carl N. Jacobs, president of the companies, presided.

Bert A. Hedges, Kansas manager of Business Men's Assurance, and Mrs. Hedges, were seriously injured Oct. 17 in an automobile accident at Baxter Springs, Kan.

Mr. and Mrs. Hedges were returning from a combined speaking and vacation tour through the south. Mr. Hedges had spoken at the meetings of the Springfield, Birmingham, Atlanta and Miami A. & H. associations.

Mr. Hedges' brother, Herbert A. Hedges, Kansas City general agent for Equitable Life of Iowa, has been at Freeman hospital, Joplin, where the Hedges are now confined. Doctors are hopeful for a full recovery.

Policies Broadened, Rates Cut in Reprint of Burglary Manual

Changes Are Substantial Countrywide But Don't Apply Uniformly

COLUMBUS—The Ohio department has approved the 6.3% reduction in burglary insurance rates, effective Oct. 30.

National Bureau of Casualty Underwriters is releasing a reprint of the burglary manual and the endorsement supplement, effective country-wide Oct. 30, except in Texas, where it takes effect Dec. 15.

The rules for writing three-year policies on the installment basis have been amended to provide for equal annual installments instead of 40% the first year and 30% in each the second and third years.

To meet the popular demand for blanket policies, blanket rules have been inserted for open stock burglary including outside show case and show window insurance, safe burglary, interior robbery, messenger robbery, paymaster robbery and money and securities destruction insurance. These blanket rules approximate those appearing in the money and securities broad form section at the present time.

A new rule appears in the open stock, safe burglary and interior robbery sections permitting the writing of "profits insurance."

Delete Silver Coverage

No changes have been made in the rates for the residence and outside theft policy. A rule, however, has been introduced to permit the deletion of coverage on sterling silver in order that the residence and outside theft policy may be written in conjunction with the personal property floater policy.

The standard population guide, which has been a part of the burglary manual for so many years, has been eliminated because of changes in the procedure for rating bank burglary and robbery insurance.

There has been a reduction in the bank burglary rates in all territories. The schedule of population discounts has been eliminated and all rating territories have been assigned the "25,000 and over" population discount. This discount has been combined with the territorial discount resulting in an average reduction in rates of 26.5% country-wide.

The bank robbery rates have also been reduced. There are now three rate territories instead of four and the same rate is applicable to amounts over \$5,000, thus eliminating rating by population size. This will effect an average countrywide reduction of 29.2%.

The manual rule in connection with securities in custody of correspondent and depository banks has been amended to provide that the correspondent or depository banks may now be located in a city other than that in which the bank purchasing the insurance is situated. The requirement that the city in which the bank to be insured must have at least 100,000 population has been reduced to 25,000.

Coverage is now permitted under the supplemental coverage policy, for secur-

(CONTINUED ON PAGE 25)

Merge Branch Units of American Cas., Accident & Casualty

Consolidation of personnel of American Casualty and Accident & Casualty following the absorption of the U. S. branch of the latter by the Reading company has been completed in the majority of field offices. In many cities, Accident & Casualty and American Casualty employees were working as teams within two weeks after Sept. 15 when the consolidation was assured.

The following are the changes so far accomplished in the branch offices:

Atlanta—Paul Bouzigues, who has been southeastern manager for Accident & Casualty, is now resident manager of the southeastern department supervising Alabama and Georgia. William Hitchcock of the home office underwriting staff of Accident & Casualty, has been appointed underwriting manager. The office has been enlarged and now occupies nearly all of the third floor at 125 Ivy street.

Boston—Howard Pratt, who has been with Accident & Casualty, is now resident vice-president of the New Eng-

land department, and Chris Henry continues as manager of the office.

Chicago—Harry O. Eckert, vice-president of American Casualty, will have William Synan, Chicago manager of Accident & Casualty, as casualty manager. The office occupies enlarged quarters in the Insurance Exchange building and has more than 115 employees handling Illinois and parts of Iowa, Wisconsin and Indiana.

Cleveland—Floyd L. Dunson, vice-president, is in charge with Ira Blunt, who has been with Accident & Casualty, as assistant. This office which covers the entire state of Ohio, is also being enlarged.

Florida—Kenneth Bailey of Accident & Casualty is now with American Casualty as special agent in the Florida office with Paul Gartside as resident manager. The office is being moved to new and larger quarters at 218 North Magnolia avenue, Orlando.

New York—The Accident & Casualty branch in New York is being expanded and reorganized and will become the new American Casualty branch office servicing the metropolitan area. The office will be staffed by many officers and department heads of the U. S. branch of Accident & Casualty.

Pittsburgh—M. H. Hankey is resident manager and Frank Buck, who

was production manager for Accident & Casualty, is now production manager.

Philadelphia—Earl Coe is resident vice-president and John J. Elligette of Accident & Casualty becomes manager of the casualty department. In January the office will be moved to larger quarters on the ground floor of the Ledger building.

Accident & Casualty agents, other than state general agents, who previously reported direct to the U. S. branch of Accident & Casualty, have been transferred to established American Casualty branch offices in their territories.

Opens San Francisco Branch

Allied Compensation of Los Angeles on Nov. 1 will open a new branch office at San Francisco with Thomas G. Caine as manager. Mr. Caine for five years has been with Liberty Mutual at San Francisco, having joined that company immediately following his discharge from the air force at the close of the war.

Insurance Women of San Antonio heard reports on the Amarillo convention of Federation of Insurance Women of Texas by Mrs. Faye Arnim and Armlide Engel.

Offer Stock in Insurance Vending Machine

An offering is being made of 106,700 shares of Tele-Trip Policy Co., Inc., 420 Lexington avenue, New York, at a price to the public of \$2.75 with a concession to dealers of 27½¢. President and owner of all of the presently outstanding stock is John M. Shaheen. The company is a licensed insurance agency and uses the Tele-Trip Vendor which machines are now being operated in 13 Western Union offices, in Buffalo, Niagara Falls, North Tonawanda, Lockport, New York and in the Waldorf-Astoria hotel, Governor Clinton hotel and Hotel Taft at New York. There is a contract with Western Union under which the latter is entitled to receive compensation for each machine installed. Western Union has 3,200 offices in the country and, according to the prospectus, the company is negotiating contracts with six railroads, three bus systems, 11 airlines, five steamship companies and eight oil companies.

According to the prospectus, the policies now being sold will protect the traveler 24 hours a day to cover accidents whether in automobiles, trains, buses, ships, taxis and scheduled aircraft. They also cover pedestrian mishaps and other accidents in the course of travel. The policies are procured through the machine for coverage of one day up to 180 days by inserting one or more quarters for insurance in the principal amount of not in excess of \$5,000 and up to \$25 per week for 52 weeks for disability. Also the company plans to offer a second policy specifically for air travelers and a third for foreign air travel on scheduled airlines and is now negotiating with insurance companies for the issuance of the domestic and foreign air travel policies.

Policy Not in Bowels

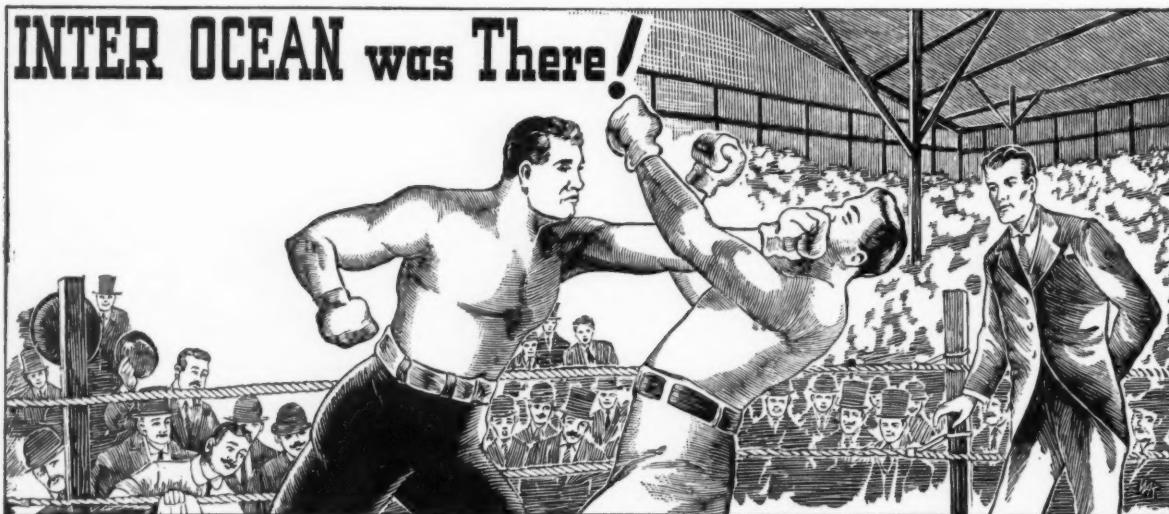
The machine is 5 inches x 7½ inches x 11 inches and within the machine is an electrical time stamp mechanism that prints validating data on the policies. The policy itself is not contained in the machine but folded policies are in a rack on the side of it. After the quarters are inserted the machine imprints the validating stamp which puts the insurance in force. The policy is being revised to contain a gummed self-mailer address flap so that by folding it over, the assured can address and mail the policy to where he desires.

As to competition, the prospectus mentions that a company which is not identified exactly but which is undoubtedly Insurograph, has a considerably larger machine than Tele-Trip and has units located in most of the large airports. The other competitor which is not named but which is obviously Goaluse of Houston has a machine that is larger than Tele-Trip, but smaller than Insurograph.

The prospectus expresses the belief that the Tele-Trip machine method of operation is more advantageous. Due to its small size and compactness, the machine is readily accessible to the public at the point of sale on ticket counters, telegraph company counters, ticket window ledges or on small metal stands adjacent to the ticket windows. This method of operation permits the traveler more easily to study the policy before purchase by removing it from the rack. Passengers can get policies validated in a few seconds because of the mechanical arrangement of the machines and method of operation. The policy form is simpler to fill in; the policyholder has a stamped receipt on his policy for each quarter he inserts; the insurance can start when the quarter is inserted or any future date designated.

On the daily rate policy the assured can purchase cover for any of the 10 different periods of travel days from one to 180. The policy will have a gummed

(CONTINUED ON PAGE 31)



World Champion James J. Jeffries knocked out challenger James J. Corbett in ten rounds at San Francisco, in 1903. That year, too, INTER-OCEAN was in the insurance business.

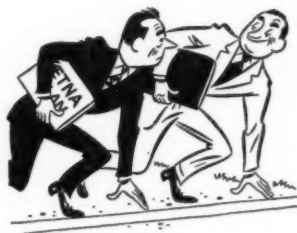
Every champion is characterized by soundness and skill, no matter the styles of the times. Year after year, INTER-OCEAN has increased in soundness, and our ideas are as streamlined as

the twentieth century. You are dealing with a solid champion when you write INTER-OCEAN'S modern and complete line of Life, Health, Accident and Hospitalization Insurance.

INTER-OCEAN INSURANCE CO.
CINCINNATI 2, OHIO

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LIFE • HEALTH • ACCIDENT • HOSPITALIZATION



Competition had the inside track . . .

The administrator appointed to handle a wealthy estate was more friendly with a competing agent than he was with R. L. Kenderdine. But Mr. Kenderdine had the Aetna Plan, a sales aid he felt sure no competitor could match. His efforts, therefore, were concentrated not on selling the administrator a Bond, but on the need for a complete insurance analysis.

The Aetna Plan got the business!

Convinced by Mr. Kenderdine's reasoning, the administrator authorized him to proceed with his complete analysis. This revealed several properties had no Fire or Liability coverage and others were dangerously underinsured. When the completed Aetna Plan was delivered, Mr. Kenderdine's recommendations, calling for more than \$1,000 in added premiums, were adopted 100% and he was designated to handle the estate's entire account. In addition, the administrator has since looked upon Mr. Kenderdine as his "insurance counselor" and frequently sends business his way.



"The Aetna Plan is Unbeatable in Competition"

— says R. L. KENDERDINE, Jr., Aetna-izer,
Keller, Kenderdine and Keller,
Palestine, Texas



"The Aetna Plans we have made have greatly enhanced the prestige of our agency, besides producing a substantial volume of new business. In the past three years, twenty-one commercial Aetna Plans have brought us over \$4,700 in direct new premiums. Considerable other business has come to us indirectly as the result of Plans made for banks and automobile dealers.

"In our opinion, Aetna's survey materials and manuals are the best in the industry. The Home Office Sales Course and Home Study Lessons go a long way toward equipping an agent for this modern type of insurance salesmanship, and the field office survey departments give him the strongest kind of support.

"No other method of selling can compare with the risk analysis plan in giving a professional touch to an agent's services. Both the personal and commercial Aetna Plans and Plandex are regular production tools in our office, and we believe they are among the best business builders available in the agency system."

AETNA CASUALTY AND SURETY COMPANY

The Aetna Life Affiliated Companies write practically every form of insurance and bonding protection
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FIRE AND MARINE
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BETINA
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Behind the Scenes With YOUR INSURANCE COMPANY

In our files are countless cases which would have resulted in real tragedy but for the protection which our companies provided. The case below shows how a far-sighted husband planned so that his wife would have this protection after he was gone.

His "Best Friend"

ROBBED HIS WIDOW...

Walter Brook left an estate of \$80,000 in trust for his wife, to provide her an income for life. He chose his closest friend, a man of the highest reputation, to be his executor and trustee.

For eighteen years the income checks came regularly, and then the trustee died. It turned out he'd embezzled most of the estate—leaving practically nothing! For the widow and her daughter—who will ultimately inherit the estate—this might have been the bitter ending. But Walter Brook had wisely required in his will that the executor and trustee give a surety company bond. This repaid the loss to the estate, proving that "WHERE THERE'S A WILL, THERE'S A WAY TO PROTECT IT."

There's a lesson for every one of us. A surety company bond costs little—misjudging your executor's integrity or ability can cost your heirs your entire estate! However, when your estate is protected by a surety company bond, it not only is safeguarded from embezzlement but your executor or trustee also has at his disposal the company's many years' experience in estate matters.

When you have your own will drawn, be sure to be as wise as Walter Brook!



One of an educational series appearing in general and business magazines.

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NEW YORK CASUALTY COMPANY
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1886—OVER A HALF CENTURY OF SERVICE—1950

The North American Accident Insurance Co.

209 So. LaSalle St., Chicago, Illinois

We write every practical form of Life, Accident, Health, Hospitalization and Medical Expense Insurance.

District Managers and Representatives WANTED

Geo. F. Manzelmann, President

A GOOD YEAR TO CONNECT WITH A GOOD COMPANY

Woodmansee Heads Chicago Surety Slate

At a meeting of Surety Underwriters Assn. of Chicago Tuesday the nominating committee recommended J. J. Woodmansee, Century Indemnity, for president, to succeed E. J. Moroney, U. S. F. & G. The election will be at the annual meeting and party Nov. 28.

Other officers on the committee's slate are: For vice-president, Robert S. Goldkamp, Massachusetts Bonding; secretary, John Phelan, Maryland Casualty, and treasurer, Thorleif Narup, W. A. Alexander & Co. For executive committee members: E. J. Moroney; P. J. Lynch, Standard Accident; A. L. Valentine, Baur, Christensen & Valentine; L. LeMessurier, Employers Liability; W. A. Bowersox, Fidelity & Deposit; Charles H. Phillips, Hartford Accident, and J. W. Thorne, National Surety.

The nominating committee consisted of Robert Munsell, Ocean Accident, chairman, and A. L. Korte, W. A. Alexander, and L. N. Zuttermeister, Royal-Eagle-Globe Indemnity.

The question of competition on Illinois liquor importers bonds was taken up. This is a bond that guarantees payment of the state tax on imported liquor. The association companies sell a \$5,000 bond for \$60, but there is competition now at a \$50 rate. It was generally agreed that the present rate is about as low as the companies can afford to make it, since it has already been reduced from \$80. There is considerable liability at stake, especially if business turns bad.

A report on plans for the annual meeting and party was given by John Phelan, Maryland Casualty. This will be Nov. 28 at the Stevens hotel and will consist of a cocktail party, dinner and entertainment.

Mr. Woodmansee raised the question of what the association researchers have developed as to staging a 50th anniversary celebration. The exact age of the association apparently is not clear, and it was suggested that the group could very well make 1950 the year for festivities without fear of being challenged.

At the suggestion of Mr. Moroney, the minutes of the last regular meeting were read by Mr. Valentine rather than being dispensed with in the usual manner. The association had its last meeting in May.

Would Allow N.C. Insurance Department to Regulate Rates on Cover with Loans

RALEIGH, N. C.—Gurney P. Hood, North Carolina banking commissioner, plans to hold a series of conferences, with loan companies and insurers, probably starting in early December, preliminary to recommending legislation to give the insurance commissioner power to regulate rates on life and A. & H. insurance sold in connection with small loans made by industrial loan agencies. He will ask the commissioner to request such legislation at the 1951 session.

The state banking commission, Mr. Hood announced, has rescinded two regulations on credit insurance "because it appeared we had no authority to regulate insurance companies even by indirection."

One of the recently rescinded regulations prohibited loan agencies from requiring life, A. & H. or disability insurance on loans until after the insurance commissioner had approved the rates. The other said benefits of such insurance could not exceed the amount of the loan and could not be for a period longer than the loan.

Insurance Commissioner Cheek recently promulgated regulations governing all phases of credit insurance except rates. He informed Mr. Hood that his department has no control at present over life and A. & H. rates except that they must be filed with the department. Mr. Cheek announced that for this

reason he was withdrawing approval of A. & H. rates, which were approved by former Commissioner Hodges.

Mr. Cheek said his action would have no effect other than to make it plain his department is not sanctioning the charges, which Mr. Hood asserted "are too high." He said A. & H. premiums equal 70% per annum of the net loan regardless of whether the loans are made for one year or less, and regardless of the amount of the loan or time of its maturity.

MacGregor Elected Chief of Chicago Burglary Assn.; Plan Ambitious Program

James MacGregor, burglary manager of the Chicago branch of Continental Casualty, has been elected president of Chicago Burglary Underwriters Assn. The association has not been very active in recent years, but has outlined an ambitious program and plans to return to its former prominence.

Other officers are Paul Girard, Hartford Accident, program vice-president; George Schramm, Fidelity & Deposit, membership vice-president; Douglas Beach, Aetna Casualty, arrangements vice-president and Edward Reese, U. S. F. & G., treasurer. Harold Bredberg, National Service & Appraisal, was re-elected secretary.

The executive committee includes W. A. Coan, American Indemnity, the outgoing president; A. K. Layden, Zurich; James Roth, National Surety; R. A. Todhunter, Indemnity of North America; Clyde Winkler, Yorkshire Indemnity; Frank Grothe, Royal Indemnity; Roy Meinke, Bankers Indemnity; Frank Plotke, Commercial Casualty; Ellsworth Ferguson, Fidelity & Casualty, and William A. Anderson, Fireman's Fund Indemnity.

Zurich Wins Two Film Awards at Safety Rally

Neville Pilling, left, U. S. manager of Zurich, received two film awards from T. N. Boate, representing National Committee on Films for Safety, at the



National Safety Congress exposition in Chicago last week. The awards to Zurich were for two 35 mm. sound slide films, "Here's How," dealing with safety training in industry, and "Rough Riders," a traffic safety film.

The films were produced in connection with Zurich's safety zone program, a monthly service designed for use by industrial insured and for promotional use by agents. This is the sixth consecutive year in which Zurich films have won first place in the competition.

Responsibility Laws Reach 91% of Drivers

Some form of automobile responsibility law affects approximately 91% of the nation's more than 48 million motorists, according to an American Automobile Assn. report at its annual meeting at New York. Only Louisiana, Mississippi, South Carolina and Texas have no legislation involving the principles of financial responsibility.



Naturally, we don't suggest that you go around advising clients to jump off ladders, find banana peels to slip on, toys to trip over or otherwise punish their frames . . .

BUT . . . an accident can be practically painless for a client who has Accident insurance, the kind sold by The Travelers.

Statistics tell us that a certain and alarmingly large number of persons will be accidentally injured this and every other year. A percentage of these victims are going to have the financial pain of their misfortune quickly and effectively relieved by Accident insurance.

Some of your clients will be among the victims. Will they all be grateful to you because you saw that they were protected by the country's best Accident insurance—Travelers Accident Insurance?

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The public is becoming more and more "accident conscious" and people are becoming more aware of the need for Personal Accident Insurance... This means more sales for alert agents. If you want to increase your A & H volume, Manufacturers will help with plenty of FREE SALES AIDS. In fact, there's a supply waiting for you now so "come and get it!" Or, if you prefer, write or phone our nearest office for details.

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"Sell Wolverine"

LANSING, MICHIGAN

CHANGES IN CASUALTY FIELD

Pabst Casualty V.-P. of Dubuque with Chicago Base

John Pabst has been elected vice-president of Dubuque Fire & Marine, in charge of its new casualty division, which will be located in suite 2500, 105 West Adams street, Bankers building, Chicago.

Mr. Pabst's experience in the casualty business dates from 1920. Commencing Jan. 1, Dubuque will write automobile full coverage, burglary, compensation, general liability and glass.

Mr. Pabst is past president of the Chicago Casualty Managers association. He saw service in the Pacific during the last war as a navy commander. He also served in the navy in the first war.

Mr. Pabst started in northern New Jersey with Aetna Casualty. He subsequently traveled for Globe Indemnity in the east and then was transferred to Chicago as executive representative. From 1926 to 1930 he was with Indemnity of North America at Chicago. In the later year he became Chicago western manager of the then newly organized Fireman's Fund Indemnity. After the last war he went with United National Indemnity as western manager.

John O'Rourke, manager of the Chicago and Cook county department of Dubuque F. & M., has also moved into these Bankers building quarters.



John Pabst

Edleman Casualty Chief for Hinchman, Rolph, Landis

Hinchman, Rolph & Landis, Pacific Coast general agents, appointed Lyall C. Edleman manager of the casualty and surety department with headquarters at San Francisco. He has been at Fresno in charge of the San Joaquin Valley for Standard Accident for three years.

His earlier experience was with Federal Surety at Davenport, with Mary-

land Casualty in Illinois, Indiana and Iowa, Aetna Casualty & Surety at Des Moines and Standard Accident in Chicago, southern Wisconsin and Pittsburgh. He served with the army engineers, rising to major.

Three Named by New Amsterdam

New Amsterdam Casualty has appointed W. Wallace Moorhead resident vice-president at Philadelphia, James G. Shaw manager at Boston, and E. Walter Helm, Jr., vice-president at the home office.

Since 1932, Mr. Helm has been resident vice-president in Philadelphia in charge of underwriting and production. He started in insurance with Philadelphia Casualty and he later served with Zurich and Home Indemnity.

Mr. Moorhead, who succeeds Mr. Helm at Philadelphia, attended the University of Minnesota. He started in insurance with U. S. Casualty, in 1930 becoming Philadelphia manager. Later he was at the home office and since 1945 has been resident vice-president at Boston for both New Amsterdam and U. S. Casualty.

Mr. Shaw for the last several years has been assistant manager at Boston. He joined New Amsterdam in 1932.

Grix New Resident V.-P. of F. & C. at Buffalo

The appointment of George J. Grix as resident manager of Fidelity Casualty at Buffalo was formally announced by M. J. O'Brien, vice-president, at a luncheon there with about 40 in attendance.

Mr. Grix has been with the company for 28 years and has been agency supervisor there for seven years.

Somerville Named Director

St. Paul-Mercury Indemnity has named W. F. Somerville a director to fill the vacancy caused by the death of George R. Wentz. Mr. Somerville was born in England and has had an extensive insurance career in England and the United States. He joined the St. Paul companies in 1930 as manager of the casualty department, was elected assistant secretary in 1937 and secretary in 1943.

Named to Claim Posts

Jerome H. Cahill and Frank J. Jenkins have been appointed claims representatives for Standard Accident. Mr. Cahill, a graduate of Marquette University, will serve at Milwaukee, and Mr. Jenkins will have headquarters at Scranton, Pa. He attended the University of Scranton.

Bullen Transferred to Ore.

Robert D. Bullen, formerly special agent in Utah for Fidelity & Deposit, has been transferred to Portland, and is covering the Oregon field under the supervision of Clarence D. Porter, Oregon manager.

ACCIDENT

MacDonald Moderator of Chicago A. & H. Round Table

The home office A. & H. underwriters round table of Chicago has modified somewhat the setup of its activities for the current season. It will still operate on a wholly informal basis, with no regular membership and no officers, but Roy A. MacDonald of H. & A. Underwriters Conference has agreed to act as moderator for all ses-

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sions this year. Suggestions for topics to be considered will be sent to him and there will be a case clinic, along the line of those at the conference underwriting forums.

There was an especially large attendance at the opening meeting, with men on hand from several companies not heretofore represented. Representatives of the inspection companies are now being included and an especial effort will be made to get all companies in Chicago writing A. & H. interested. Dinner meetings are held on the third Thursday of each month, the date for the next one being Nov. 16.

Private Companies' Profit on '49 Cal. UCD Cover 5.45%

LOS ANGELES—An analysis of the reports on 1949 operation of 39 private companies writing voluntary UCD coverage has been made by Leland B. Groezinger, insurance attorney, showing that incurred losses were more than 68% of premiums earned and that the net profit for all companies on 1949 business was 5.45%.

Total premiums received by private companies exceeded \$25,400,000 and they paid the state more than \$1,100,000 in taxes, licenses, government charges and fees.

Twelve of the companies showed a loss for the year, Mr. Groezinger pointed out. "Due to the addition of the \$8 daily hospital benefit amendment by the 1949 legislature, which became effective Jan. 1, 1950, and which involved no additional premium, it can be expected that the amount of benefits paid during 1950 will be considerably higher than those paid in 1949," he said. "Consequently the loss ratio will be considerably higher and profits will be less in 1950."

He pointed out that the state disability fund, which pays benefits lower than the voluntary plans, is currently paying benefits running from 113 to 128% of those for comparable months in 1949.

In excess of 33,300 voluntary plans have been approved. Estimated number of employees covered by voluntary plans is 1,207,749. Under the UCD law it is stipulated that benefits offered by private companies writing the coverage must always be more than those afforded by the state fund.

J. M. Smith, vice-president in charge of all A. & H. activities of Continental Casualty, and L. C. Morrell, assistant vice-president, are visiting in London with Lloyds underwriters concerning plans for expansion of Continental's aviation accident and special risks division.

Mutual Benefit H. & A. has made an additional deposit with the receiver-general of Canada for the protection of Canadian policyholders, increasing the amount to \$3,798,500.

Health Service, Inc., of Chicago, has applied for a license to write disability insurance in California.

COMPENSATION

Mass. Assigned Risk Setup Is Being Improved

The casualty companies in Massachusetts have revamped the workmen's compensation assigned risk procedure in the interest of providing faster service and eliminating red tape.

The stock and the mutual companies have set up new voluntary assigned risk pools to supersede the statutory pools that have been operating since 1939.

Any employer that is unable to get workmen's compensation insurance may now do so by applying to the voluntary pool at 89 Broad street, Boston, provided he is not in default of any Massachusetts compensation premium.

After the application has been completed and processed by the pool, the

employer may promptly obtain coverage by paying the advance premium to the company delegated to provide the insurance. In the past, the employers had to get certification from the state department of industrial accidents in order to obtain insurance.

The new system it is hoped will also make it easier for a risk that has been assigned to get back into normal channels of coverage.

The statute requires an insurer that voluntarily takes a risk out of either of the statutory pools to pay to the pool any excess losses the pool may have suffered on that risk.

A similar rule is applicable in the voluntary plan, but the bureau may waive that rule and is expected to do so on all risks except those involving O.D. hazards.

As with the statutory pool there will be no commission paid to producers.

Seek to Have Cal. "Comp." Hike Cover Extra 6 Months

Commissioner Downey will hold a public hearing Oct. 30 on the question of raising the workmen's compensation rates by 6.86% effective Nov. 1 on out-

standing policies with a normal inception date falling between April 1 and Sept. 30, 1950. A similar increase has already been granted for new and renewal policies only effective on and after Oct. 1.

The rate increase on the policies having an inception date of April 1-Sept. 30 is asked by California Inspection Rating Bureau, using the same arguments as those agreed to for the increase already granted for Oct. 1 business.

The Tobin agency, Zanesville, O., has been sold to Keysear & Garrett.



Are You Getting Your Share

of these 2-way insurance prospects?

HUNDREDS of thousands of new homes being built from coast-to-coast . . . and each one creates a double sales opportunity for you.

One—new homeowners are aware of their need for fire and extended coverage insurance to protect their investment.

Two—sell them full contents insurance. They are conscious of their possessions and receptive to your message. Offer them the use of our household inventory folder.

Look around your own city today at the evidence of new dwelling construction. Ask yourself, "Am I getting my share of this new business?"

Demand Increasing for Builders' Risk Insurance

More and more owners, contractors and banks want to know about Builders' Risk policies which protect them against the danger of financial loss by fire during all construction stages.

Keep your eyes on activity by banks, trust companies, construction companies, contractors, materials suppliers and architects . . . for leads on additional opportunities to write this coverage.

Remember, Builders' Risk Insurance gives you the "inside track" for permanent insurance when buildings are completed.

For further information, send for our Builders' Risk folder. No obligation.



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Michigan Farm Bureau May Promote Life Company

LANSING, MICH.—Consideration is being given to organization of a life

company catering to members of Michigan Farm Bureau.

The state farm bureau in 1949 formed a casualty mutual, Farm Bureau Mutual of Michigan, which writes mainly auto coverage, along with some farm liability

lines.

The proposed life company, however, would have to be an entirely separate organization with a higher capitalization and, according to Michigan department officials, it could in no way be controlled by the Farm Bureau organization as such.

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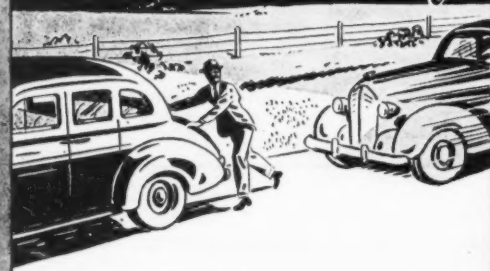
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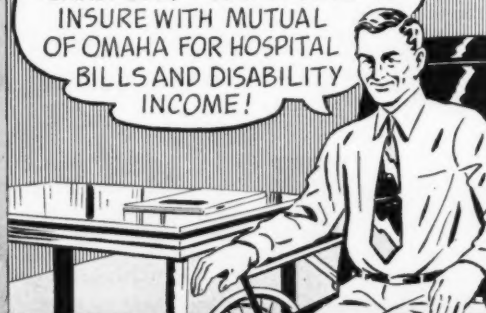
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THIS COULD BE Your STORY.....



WHILE PUSHING HIS STALLED CAR OFF THE HIGHWAY, JESSE B. MATTHEWS, CUYAHOGA FALLS, OHIO, WAS STRUCK BY A PASSING CAR.

IT PAYS TO WALK AND DRIVE CAREFULLY... AND IT PAYS TO INSURE WITH MUTUAL OF OMAHA FOR HOSPITAL BILLS AND DISABILITY INCOME!



THE WORLD'S LARGEST EXCLUSIVE HEALTH AND ACCIDENT COMPANY

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More than \$300,000,000.00 paid
in benefits
More than 2,200,000 Policyholders

MUTUAL BENEFIT
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ASSOCIATION
OMAHA, NEBRASKA



other 30,000 square feet of floor space.

The reconstruction work, which began last June, will be completed in October, 1951.

Life People Seek New Approach to Revision of Valuation Formula

The problem of finding a new method of valuing securities satisfactory to property insurers and insurance departments and at the same time help life companies out of a dilemma has reverted to the joint committee on valuation of assets of Life Insurance Assn. of America and American Life Convention.

The all-industry committee on a new valuation proposal headed by F. W. Ecker, financial vice-president of Metropolitan Life, has been disbanded following the failure of industry conferees to reach agreement.

The joint committee of the life business is headed by F. W. Hubbell, president of Equitable of Iowa. It has the burden of proving the need for a new valuations procedure for equities, particularly preferred stock, since the fire and casualty companies are satisfied with the present method.

National Assn. of Insurance Commissioners has indicated that it will need some convincing of the desirability of a change.

Expense Hearing in N.C. to Precede One on P.D. Rates

RALEIGH, N. C.—As a preliminary to ruling on new auto physical damage rates, Commissioner Cheek has scheduled a hearing on the underwriting expenses of companies writing auto P.D. in North Carolina, Oct. 30, the day before a scheduled hearing on rating bureau proposals for rate cuts estimated to reduce total premiums by more than \$2 million a year.

At the Oct. 30 hearing, Mr. Cheek said, he will go into the question of "what expense loadings are necessary and proper for companies writing auto physical damage insurance." The rate cuts proposed, he added, "are based upon good loss experience. If it is determined that the present allowances for expenses are excessive, further rate reductions would be necessary."

Carl Typermass N. Y. Head of Home Indemnity

Carl Typermass has been appointed general manager of Home Indemnity's metropolitan department. He is a graduate of New York University where he majored in accounting. After several years service with a life insurance company he joined the New York department as a junior examiner. He was appointed deputy superintendent in 1945 with supervision of the Albany office. In 1949 he joined Lumber Mutual Casualty to establish a DBL department.

Ill. Approves Comprehensive E. C. on Dwellings

American Automobile Fire's comprehensive extended coverage endorsement for dwellings has been approved in Illinois. This is the eighth state to approve, and the company expects within the next year to have the policy admitted in seven more states.

It covers nearly all risks to dwellings with a \$50 deductible applying except to losses ordinarily covered by the standard fire and extended coverage policy.

Remodeling N. Y. Building

Continental Casualty's building in New York is being remodeled and enlarged. The new facade will be of black granite and a penthouse designed to house a staff dining room will be placed atop the building. New elevators and an air conditioning unit will be installed. The building's new annex will add an-

Otis Murphey Co. Opens Miami Unit Under Kent

Otis A. Murphey Co., Inc., the independent adjusting organization with head office at Atlanta, has opened a new branch at Miami. It is located in the Seybold building and is in charge of W. Alfred Kent. The Florida manager is Jerry C. Clarke of Tampa. Mr. Kent received his early experience with Frank Davis, well known adjuster of Miami and then was associated for some time with Julian Calhoun in South Carolina.

Zenith Nat'l Seeks License

Zenith National of Los Angeles, recently organized, has applied for license to write workmen's compensation, liability and common carrier liability. J. H. Russell of Russell & Bond, general agents and attorney-in-fact for Public Service Ins. Co., and interinsurance exchange, is president of the company, having been elected to fill the vacancy caused by the death of Frank Hill.

Want Reardon Again

H. A. Reardon, president, and all other officers have been nominated for reelection at the annual meeting Oct. 31 of Insurance Brokers Assn. of Massachusetts at Hotel Somerset, Boston. The speaker will be Frederick W. Doremus, secretary of Eastern Underwriters Assn., on "Sell Today." This will be Mr. Reardon's third term as president.

Wash Sched

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NEWS OF FIELD MEN

Wash. Educational Program Scheduled to Start Nov. 6

The fall educational program of Washington Fire Underwriters Assn. instead of lasting six weeks will be concentrated into a one week schedule beginning Nov. 6. Kermit G. Davis, Travelers Fire, is chairman of the educational committee.

That week has been designated "educational week" and association members will visit all of the key cities and towns in the state, discussing recent rules changes. In addition, a film of the National Board will be shown in each locality with an open forum concluding the session.

The teams, chairmen and assignments are: Gene A. Harpur, New Zealand, chairman; Bremerton, Port Angeles and Kirkland, Elmer D. Solness, Providence Washington, chairman; Chehalis, Longview and Vancouver, Richard N. Davis, Hartford Fire, chairman; Ellensburg, Yakima and Wenatchee, H. R. Breshears, American of Newark, chairman; Everett, Mt. Vernon and Bellingham, C. S. Coffeen, New Hampshire Fire, chairman; Tacoma, Olympia and Aberdeen.

"Mr. Bones" Featured in Georgia Town Inspection

The inspection by Fire Insurance Field Men's Club of Georgia of Manchester this month was participated in by 31 field men at the invitation of the local chamber of commerce.

Prizes were offered by Southeastern Underwriters Assn. and the local fire department for the best essay by a high



Inspectors and their assistants shown at the Manchester, Ga. town inspection. Left to right are Ray F. Bell, Providence Washington; Stuart Woods, Manchester boy scout; E. C. Clarke, Jr., New Hampshire; John P. Irvin, Pacific National, who is dressed as "Mr. Bones," and Douglas N. Hubbard, Aetna Fire.

school student on "Why Prevention Is Important to Me."

Carl Fisher, National Fire, chairman of the fire prevention committee, directed the inspection. The activities were enlivened by "Mr. Bones," who was John P. Irvin, Jr., Pacific National, costumed as a skeleton.

Plan Corpus Christi Puddle

Alamo Blue Goose, San Antonio, elected 13 goslings to take their first swim. Plans were made for instituting a puddle at Corpus Christi Nov. 20. There are already eight members there. Paul M. Fell, most loyal grand gander, will visit the pond in January.

Spencer Joins Glens Falls

Van N. Spencer has been named special agent of Glens Falls at Salt Lake City, servicing Utah, Idaho and Montana under supervision of A. Thomas

of Northern Assurance, was crowned homecoming queen of Topeka high school, where she is a senior.

Inspect Greenville Nov. 2

An inspection will be held at Greenville, O., Nov. 2. Greenville Insurance Board, Kiwanis and Rotary Clubs and chamber of commerce are cooperating. Carl R. Nelson, London & Lancashire, is chairman.

Initiate Five in Okla.

At the first initiation of the season

of Oklahoma Blue Goose, five candidates were received. Out-of-town guests were Dewey A. Myers, assistant western manager of Boston, and James Neelan, agency superintendent Norwich Union.

Smoke Talk at Kansas City

Heart of America Blue Goose, Oct. 23 heard Ralph E. Simmons of Airkem Smoke Odor Service speak on the problem of the eradication of smoke odors.

E. R. Hobbs, Fidelity & Guaranty, was elected welder, replacing Charles Mills, who now is an agent at Clinton.

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Discuss Writing of Cover to Value

(CONTINUED FROM PAGE 9)

mercantile contents he asks for the last inventory sheets.

An appraisal may be made today and a year from now values are up 15% and replacement costs are that much more. Suppose there is a fire eight months after inception of the policy. Another contractor makes another appraisal at that time and arrives at a considerably larger figure. This presents a real problem and one agent wanted to know what could be done to solve it.

Mr. Lawrence said when he sells insurance that involves coinsurance, he sells the responsibility for keeping insurance up to value at the same time. He puts that responsibility on insured. Another agent suggested selling 90% to value on an 80% base to provide a 10 point safety leeway.

Mr. Bloche's business is largely commercial. He is more concerned about policyholders on the books than new accounts and in the commercial field it is very important to have insurance to value. Also, he presses for all insured's business.

Simple Survey Sheet

Several years ago he developed a simple survey sheet. The top portion is for insurance in force, the bottom for recommendations. The sheet also contains a message to insured that he must check values on building and contents, that the responsibility is his for keeping insurance up to the coinsurance standard. These sheets are revised at least yearly.

Mr. Bloche gives the survey sheet much credit for the doubling of his volume of business in seven years. He emphasized that the business man knows his inventory; he should report increases to his agent. When any question arises about coverage, and this is often brought up by competing agents, he has the survey in front of him which includes recommendations as to coverage. Consequently, insured cannot say that Mr. Bloche did not advise him to buy business interruption, for example, or some other line. He now has his customers pretty much in the habit of calling the agency to report substantial additions to inventory and to ask for a boost in the insurance.

Another agent recommended addition of extra expense to every dwelling policy as a means of building up the per policy amount. Also, he sent an announcement to all of his policyholders calling attention to the replacement cost increase of 10% on dwellings. The letter stated that if insured wanted to increase his insurance 10%, he should sign at the bottom of the letter and return it to the agency. He had 65 increase orders in one week.

Agent Must Take Action

He emphasized that the agent has to make the move. At the same time he must make it easy for insured to act. If he does that he will get amazing results.

Several agents asked what is being done to combat loss of fire, theft and collision business to finance companies and automobile dealers. The Tri-State Assn. of Mutual Insurance Agents (Pennsylvania, Maryland and Delaware) has made a comprehensive study of the subject, it was reported.

ADVERTISING

A survey of the advertising of some of the larger agencies showed that expenditures for this purpose are down because of higher agency operation costs, Mr. Norton reported. He doesn't believe that agencies take sufficient advantage of the product they are selling by advertising it. Smaller agencies are doing about twice as much advertising, in proportion to their premium income, as the large ones.

He estimated that agencies writing approximately \$100,000 of premiums a year

are spending around \$500 a year on advertising, principally in newspapers. This is good for institutional advertising, though direct mail is excellent as a business getter if it is followed up. It works especially well if the agency has a solicitor. Many agencies, however, rely on regular and frequent advertising in newspapers for best results. He advised the development of a slogan that can be repeated and that will get accumulative attention from the public. It helps wonderfully to identify the agency. He said he had used a television program once but in spite of the fact that the medium is exceptionally effective, it is too expensive.

Inspirational Talk

The qualities of leadership were outlined in an inspirational address by Rear Admiral Frederick J. Bell, retired, who is deputy director of human relations for McCormick & Co. Praise in public and reprimand in private, he recommended. Accent the positive—optimism, if it is genuine, pays off. Do a little more than is expected, 10% more than can reasonably be expected of a man makes him stand out like a light.

Also, be consistent, be reliable, and be at ease. The executives should be at ease. Be fair, loyal and never give up. He recommended also, be human, which means that the leader should not set himself up as perfect and should make allowances for human feelings in others. Leadership is not an art but a science which will respond to study and exercise. Every man can become a better leader, a better man if he will work at it.

The only business feature at the crowded dinner Wednesday, other than introduction of the new officers, was the awarding of prizes. Mrs. H. H. Murray, Raleigh, whose husband is a past president, won the \$500 bond donated by the association. The Employers Mutuals of Des Moines prize was won by Styles Marshall, Sumter, S. C., and the radio set donated by Improved Risk Mutuals by William Miles, Ithaca, N. Y. Other prize winners were George Hillenberger, Butler, Pa., Mrs. Charles Montgomery, Jackson, Miss., and R. M. Hoadley, New Berlin, N. Y., secretary Preferred Mutual.

R.I. Receiver Gets Court Order on Loss Payments

Justice Curran of the Rhode Island superior court has entered an order authorizing the receiver of Rhode Island Ins. Co., to continue paying losses of less than \$100 that occurred prior to the receivership; to pay all losses arising since July 7, which was the inception of the receivership, until further order of the court and to adjust disputed claims in his discretion if this can be done for substantially less than the amount of the claim and/or for not materially more than the cost of defending it and where the receiver believes that such settlement will be for the best interest of the company and where the settlement does not exceed \$500.

There is to be another hearing Nov. 8 on the question of continuing such authorization.

Day of Ill. Speaks Nov. 10

Insurance Director J. Edward Day of Illinois will address a meeting of the insurance section of Illinois State Bar Assn. at the Hotel La Salle, Chicago, the afternoon of Nov. 10. Paul E. Price of McKinley, Price & Appleman is chairman of the section.

N.E. Claim Anniversary

New England Claim Conference will hold its 50th anniversary meeting at Hartford Nov. 14. President J. R. Randall of Travelers will be the featured speaker. T. F. Buchanan, vice-president Aetna Fire, is in charge.

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List Changes in Burglary Manual

(CONTINUED FROM PAGE 15)

ities only, at a reduction of 50% of the manual rates.

The comprehensive safe depository liability policy may now be amended to cover safe deposit boxes while they are being moved from one location to another, for an additional premium.

The bank safe deposit box burglary and robbery policy has been amended by deleting the 10% limit as respects loss of contents of any one safe deposit box. Money may now be covered for an additional premium of 100% and the annual minimum premium per location has been increased from \$7.50 to \$25.

Open stock rates have been revised in 40 states, resulting in a reduction of 13.7% in the countrywide rate level. The annual minimum premium requirement has been revised to provide that in addition to being the premium for \$1,000 insurance, it is also required that such premium be not less than \$10. A rule will now be found in the open stock section which provides that for an additional premium the burglar alarm system warranty may be waived where a failure of the system is due to a strike against the alarm company. Installation No. 2½ has been discontinued as respects new premises alarm systems and increases have been made in the discounts for the central station premises burglar alarm systems.

Revised mercantile safe burglary rates are applicable to 26 states, with no change in the countrywide rate level. This revision resulted in reductions with the exception of California, Kansas, Montana, New York and Tennessee where there was an increase in rates. A considerable rate reduction has been brought about by the insertion of a rule permitting the insuring of safe deposit boxes against burglary at class B rates in lieu of the rates for key locked safes, provided the premises are open continuously 24 hours daily for the regular conduct of business.

All States Affected

There has been a revision of the interior robbery rates in all states except Colorado, Tennessee and Utah, and messenger and paymaster robbery rates in all states. This represents an average countrywide reduction of 16% for interior robbery and 17.7% for messenger and paymaster robbery.

The money and securities broad form "loss within premises" rates have been revised in 35 states. The "loss outside premises" rates have been revised in all states. This results in an average countrywide increase of 4% for the former and a reduction of 20.1% for the latter. The policy definition of messenger or custodian has been amended to permit covering, insofar as robbery is concerned, the employees of a transporter for hire.

The rates for storekeepers burglary and robbery were revised in 35 states, resulting in an average countrywide reduction of 2.6%. The storekeepers burglary and robbery policy has been broadened by eliminating the exclusion of \$50 as respects cigars, cigarettes, tobacco, fountain pens and narcotics from the "merchandise in store" insuring agreement.

The office burglary and robbery policy has been revised to provide under the "mercantile safe" insuring agreement, \$30 coverage on money and securities against loss by burglary into the premises. The "night depository or residence" insuring agreement has been revised to provide theft coverage in lieu of burglary coverage for no additional premium charge. Previously this coverage was available at an additional premium charge of 1%.

The valuable papers policy has been put on a broad form basis by deleting for no additional charge the policy exclusion "misplacement or mysterious or

unexplained disappearance." Prior to this change an additional premium of 33 1/3% was required.

The accounts receivable policy has also been broadened for no additional charge to a broad form basis. Heretofore, an additional premium charge of 33 1/3% had been required. The minimum annual rate of 5c per \$100 has been reduced to 4c. The manual now contains a new rule in this section extending the policy to cover while the records of accounts receivable are being conveyed outside the assured's premises or while temporarily within the premises of others. An additional premium charge of 25% is required for this.

There has been a reduction in the rates for the money and securities destruction policy as well as in the minimum premium requirement when this coverage is written with other policies.

Tools belonging to employees may be insured against loss or damage by burglary, theft or larceny within the premises.

A rule has also been added to cover against loss resulting from the acceptance in good faith of bad money orders or counterfeit paper currency, in exchange for merchandise or merchandise and money, or services, or services and money.

Appropriations Too Low to Meet Bids; Contract Bonds Lost to Inflation

Contract bond underwriters for the last several months have lost a number of opportunities for business because of inflation. They discover that their contractors are bidding an amount in excess of the appropriation for construction of public works. An example of this is a school project in Illinois for which an appropriation of \$130,000 was made. The lowest bid was \$140,000. The job will have to be postponed until additional appropriations can be made and new bids submitted. It is possible, if inflationary trends continue, the new bids will continue to out distance the appropriation.

Although not much business has been lost by this means so far, the underwriters are noting a definite increase in cases of this kind.

Takes \$13,000 for Experience

CINCINNATI—A 19-year-old teller of the Norwood Savings Bank of Norwood, O., reportedly has admitted to FBI investigators that he took \$13,000 from the bank and buried it near his home,

the motive being to see how it felt to have that much money.

The bank is covered by form 24 bankers' blanket bond written by American Surety through Thomas McEvilly & Associates agency. There is \$50,000 primary and \$75,000 excess.

After his confession, the youth led officers to the cache where he had hidden the entire sum in a tin can. The money was stolen from the drawer of a companion teller's cage on Friday, Oct. 13, during the lunch hour.

Dam Contracts Awarded

Peter Kiewit Sons Co., Arcadia, Cal., has been awarded the contract at \$1,259,940 for certain construction on the Provo river project in Utah. Aetna Casualty will execute the payment and performance bond.

The contract for improvements and repairs at the Grand Coulee Dam, Columbia Basin project, has been awarded to Pacific Bridge Co., San Francisco, at \$2,662,866. Fidelity & Deposit will write the bonds.

T. Alvin Strahle has resigned as manager of the Chicago local department of Atlantic Mutual. His new connection has not been announced.

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Reduce Springfield Group to Three Company Units

Three constituent companies of the Springfield F. & M. group are in process of being merged into a single institution, the official title of which will be New England Ins. Co. It will have capital of \$1½ million, net surplus of \$2,800,000 and contingency reserve of about \$2 million. The surviving institution will be the company that has been known until this time as New England Fire and that was incorporated in 1919. The name has now been changed to New England Ins. Co. and into this company are to be merged New England Casualty and Sentinel Fire. The effective date of the merger will be Dec. 31.

The Springfield group will then comprise the parent company, New England and Michigan F. & M.

Neville Coast Marine Chief

Security of New Haven has just appointed Robert L. Neville manager of the Pacific marine department. He succeeds Ferdinand A. Hall, recently promoted to southern California manager at Los Angeles.

Mr. Neville has been serving as inland marine special agent in southern California since 1947.

Dalton Hawkeye Chief

DES MOINES—H. L. Dalton of National Surety has been elected president of Des Moines Casualty & Surety Club, succeeding Jack Wheaton of Mass. Bonding. R. E. Chesebrough of American Surety is first vice-president; W. H. Browne, Maryland Casualty, second vice-president; and E. R. Fleshner, Fidelity & Deposit, secretary.

New Ala. Mutual Insurer

General Mutual of Birmingham is a new company that has been licensed in Alabama and starts with a cash surplus of \$10,000. It is managed by the insurance agency of W. J. Perryman & Co. and intends to write various lines at 20% below tariff. The automobile policies are issued for a six month term. President is W. A. Willis, Jr.; vice-presidents, V. J. Elmore Stores and T. E. Wheeler; agency director, W. J. Perryman & Co.; secretary, W. J. Perryman.

W. J. Perryman & Co. are general agents for Implement Dealers, Iowa Hardware, Lititz Mutual and Celina Mutual Casualty.

Organize the Emerald

With authorized capital of \$100,000, Emerald Fire & Casualty has been organized at Greenwood, S. C. D. H. Johnson is president.

Discount Plan in Va.

National Bureau and Mutual Insurance Rating Bureau have filed in Virginia an auto liability rating plan which offers buyers paying premiums higher than \$1,000 annually a premium discount. An annual rate figured each year on experience is made available to buyers paying premiums exceeding \$5,000.

James M. Cahill, bureau secretary, made the filing at Richmond and said there was no opposition to it and that either plan represented a reduction from present rates. It is already used on workmen's compensation.

John J. Wicker represented the mutual bureau and T. Nelson Parker Virginia Assn. of Insurance Agents.

National Union Joins Surety Assn.

National Union Fire has been elected a member of Surety Assn. of America. This brings a total membership to 62 companies. National Union Indemnity of the National Union group has been a member of the association for several years.

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Lively Panel on Adjusters vs. Home Office Brass

A lively panel discussion on what underwriters and loss managers think of adjusters was the high point of the first day of the loss managers conference of Mutual Loss Research Bureau at New York. The Florida hurricane was naturally on everyone's mind, but the crowd of about 200 managed to follow the crowded program from start to finish. D. T. Hawkins, Chicago, assistant manager of the bureau, left for Florida Thursday afternoon and Gordon Davis, manager, one of the originators of the disaster adjusting setup, was expected to go there after the meeting.

With J. L. Eberly, loss manager Lumbermen's Mutual of Mansfield, in the chair, the panel ran through four discussions and a barrage of comments from the floor. Panel members were Geoffrey Christian, Chicago, vice-president of Northwestern Mutual, and Scott Coffin, vice-president Lumbermen's of Mansfield, representing the underwriting point of view, while C. H. Runser, Van Wert, O., assistant secretary of Central Manufacturers Mutual, and F. E. Binninger, Indianapolis claim manager Indiana Lumbermen's, told what loss managers want.

Reviews Loss Procedure

Mr. Runser outlined the mechanics of handling a loss in the home office, emphasizing the need of complete and accurate reports from the field adjuster. He said this is necessary not only for the company's records, but also for the periodic checking of files by state supervisory authorities. Everyone makes mistakes, but he pointed out that it is much easier to correct those of a clerk in the office than those of an adjuster in the field. He said a company properly expects an adjuster to: 1, acknowledge an assignment promptly; 2, revise and reconsider any preliminary estimate; 3, answer questions as promptly as possible; 4, ask for instructions whenever necessary; 5, keep company and agent informed of progress; 6, prepare preliminary, interim and final reports in such shape that the adjuster will not be ashamed of it being checked by a state insurance department representative; 7, get all facts and include them in the reports; 8, remember that ultimately the public and not the company or agent pays the adjuster.

Mr. Binninger said that one of the greatest faults of many adjusters is sloppy estimating of values, particularly where coinsurance is involved. In too many cases, particularly small losses, the value is guessed as the minimum to meet the coinsurance requirement and this has caused embarrassment where additional insurance has been later discovered. The time to educate an insured about depreciation, coinsurance, etc., is during a small loss—rather than let him discover it later during a large loss when it will hurt. If the origin appears suspicious, it should be reported to the company at once and non-waiver agreements, if indicated, should be taken immediately, as otherwise they may be held ineffective.

Troubles of Underwriters

Mr. Coffin got a laugh with his statement that the underwriter is the adjuster's best friend. If underwriters never made mistakes, he said, adjusters might make a bare living—they get their large fees out of the underwriters' inexcusable errors. He explained the information underwriters get out of inspection and credit reports and urged adjusters to study them. It was brought out in the discussion later that many adjusters do not know how much information is available on a risk and all agreed that adjusters should be given this information in case of a loss of any size.

Mr. Christian's talk was partly a

summary of the points developed by the other three speakers and partly his conclusions after a study of actual case reports, good and bad. He particularly urged adjusters to report their conclusions on the desirability of the company staying on a risk and said that only eight out of 50 reports examined had any such suggestion. He also strongly urged use of the caption type of report, as distinguished from the narrative type and said he was surprised companies did not make it mandatory.

Plans 49% Stock Dividend

Pacific Automobile of Los Angeles has applied to the California department for a permit to issue a stock dividend of 49% or 9,865.43 shares of stock authorized but unissued and one share to be sold for cash.

Named W. Va. State Agent

James C. McNaughton has been appointed West Virginia state agent of the B. P. Carter Co., general agency of Richmond, with headquarters at Ro-

anoke, Va. He has been in the business for 13 years, serving five years with Texas Rating Bureau, five years in the Texas field and three years in Virginia, most recently with National Fire. Mr. McNaughton will travel the western part of Virginia, in addition to supervising West Virginia agents.

Parsons to Va. Field

Townsend S. Parsons, Jr., has been appointed state agent for Virginia F. & M. in Virginia, with headquarters at the home office at Richmond.

Mr. Parsons attended the business school of the University of Richmond. During the past four years he has been with a general agency at Richmond.

Collins to Texas Field

Pearl-American has appointed William W. Collins special agent in Texas, associated with Harry G. Mensman, state agent.

Mr. Collins joined Pearl in 1948 after field experience in Pennsylvania. He served with the army engineers during the war.

Price Is Miss. Chief

JACKSON—Chesley V. Price of Home was elected president of Missis-

sippi Fieldmen's Assn. at the annual meeting. Charlie Ward of Automobile is vice-president; J. D. Holland, St. Paul F. & M., secretary. The retiring president is Foster Collins of Holland & Gates general agency. Members of the executive committee are Mr. Collins, J. D. Helms, O. J. Schooley, W. J. S. Rushing, R. S. Greer and J. Roy Coursey.

Aetna Names Kumpf as Coast Marine Chief

E. A. Kumpf has been appointed marine superintendent in the Pacific department of Aetna Fire.

Mr. Kumpf joined Aetna in 1938 after several years' experience in the New York marine brokerage field.

Jackson Trophy Awarded

At the convention of industrial packaging and materials handling engineers at Philadelphia, the Harold Jackson Trophy, put up annually by W. H. McGee & Co., was awarded to Louis A. Holder of Timken Roller Bearing Co., Canton, O. This year's award was for the most satisfactory method of protecting machinery against corrosion.

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\$20 Million Fla. Insurance Loss

(CONTINUED FROM PAGE 1)

by policyholders whose autos were disabled in the hurricane. According to the "ad," the autos were to be placed at the complete disposal of the policyholders without cost or obligation until Oct. 27.

A great many cars were up-ended and others picked up bodily and slammed against buildings or trees. Others were less severely damaged by being showered with debris such as roof tile.

Miami Beach took the brunt of the storm. There was extensive damage, including structural damage which had not been true in other recent hurricanes. The famous Roney-Plaza hotel with a fancy cupola is described as having "blown its top." The damage at Key West was comparatively light. It was also light in south and southwest Miami.

Don Sherwood, general adjuster for National Board and Roy Bachman of General Adjustment Bureau arrived shortly after the hurricane and set about preparing a staff for adjustment work.

Sherwood Opens Headquarters

Mr. Sherwood opened an office at the Alhambra hotel in Miami. At first blush, he reported that the damages are very severe and more structural in nature than they were in the storm two years

ago. Apparently the wave wash and flood conditions were not as pronounced as in the past. There will be several hundred adjusters under the wing of the bureau in the Miami district which indicates how extensive the damage appears to be.

The Alhambra Hotel in Miami is a relatively small hotel, close to the business district, well patronized by insurance men, and was a very satisfactory disaster headquarters in 1948. D. T. Hawkins, Chicago, assistant manager Mutual Loss Research Bureau, left the loss managers conference of his organization at New York by plane Thursday for Florida and Gordon Davis, manager, was expected to join him as soon as the meeting was over. The mutual group will have headquarters in the same hotel as the National Board organization.

National Assn. of Independent Adjusters participates in the disaster setup. Julian Calhoun, Spartansburg, S. C., is chairman of this committee. He will be notified by Mr. Sherwood of the number of independent adjusters needed and the specialties in which help is required. These men will be selected through the regional groups of the adjusters organization, which has data on its members offices and the number of available men and their skills in each office. By use of long distance tele-

phone calls, it is hoped that most of the needed men will be on their way a few hours after Mr. Sherwood calls for them. The disaster setup is planned both to avoid making unreasonable demands on any one office and also to avoid adjusters flocking into the area on their own and without a specific need for their services.

National Board has established a branch in the Ship building at Miami Beach, but all correspondence should be directed to the main office in the Alhambra hotel, Miami.

It is estimated that the losses on Miami Beach will average approximately \$1,000. The severity of damage is greater in the Beach area than to the properties located inland.

It is estimated there are approximately 400 extra adjusters assigned to this area by bureaus and companies. General Adjustment Bureau brought in 200 adjusters from their various branches.

Many Veteran's Homes

Local agents and companies are providing personnel to assist the staff of National Board.

There have been 49,000 new homes erected in the greater Miami area since the last serious storm in 1947, most of which were sold to veterans; and most of the concentrated damage was on these homes.

Last Saturday night National Board had a radio program reciting in detail the procedure that claimants should follow in an effort to effect an immediate adjustment of their claims. This program was conducted in conjunction with Miami Builders' Exchange, under the direction of John McKee, who is chairman of the organization. Mr. McKee recited costs and approved charges in connection with repairs and offered the services of the exchange to assist claimants in expediting settlement. The recommended costs were approved by local adjusters and National Board before they were submitted to the public.

Local agents are doing what they can to help claimants, but with all the confusion that exists, there is very little the agent can do, other than to refer their customers to adjusters.

During the actual hurricane, there was very little rain damage; however, subsequent thereto there was considerable consequential damage as a result of rain which came on Thursday and again Oct. 22. It is estimated that by Friday of last week, most of the properties had been protected to the extent that any damage by rain will not be too severe, until permanent repairs can be made.

Severe Shortage of Glass

There is a severe shortage of glass. It is impossible accurately to determine the dollar amount of glass breakage, because agents were notified not to report claims to National Board that are under the deductible, and many of the glass claims are in that category.

The Weather Bureau advised that at the height of the storm, the wind registered 125 m.p.h. The operations office at the airport advised that they recorded wind velocity in excess of 160 m.p.h.

There are apparently very few outstanding single losses, other than the damage to the Roney Plaza Hotel as a result of destruction of its tower, and it is reported that the Kenilworth Hotel on North Miami Beach was quite badly damaged.

It is impossible definitely to determine the exact amount of automobile or trailer loss, either from a dollar or physical damage standpoint, for the reason that such cases are not being reported through National Board; but according to local newspaper reports, there are several thousand cars involved, and in one area alone in North Miami, 200 trailers in one trailer park were completely demolished.

Sidings Discolored

There were many losses due to leaves and other vegetable matter being rolled against the sides of buildings with such force that they became virtually glued on. When removed there is an imprint

of the leaf on the surface and this will require paint.

Most of the construction is concrete block with plaster and finished off with cold water paint.

There are some 700 hotels and other buildings on the waterfront at Miami Beach and everyone of these suffered damage in greater or less degree. Much of the loss was due to wave wash. The seas rose 20 or 25 feet heavy with sand and pounded through doors and windows and left mounds of sand in the buildings as well as causing other damage. It will be difficult to separate, to the satisfaction of the assured, this type of damage from that which is attributable to the wind alone and it is assumed that there will be a large corps of adjusters working on these losses until well into the spring of 1951.

The hurricane became a land ravager right at Miami and the calm eye of the hurricane passed over Miami. Then the storm moved northward but lost its fury as it traveled over the land and by the time it reached Fort Lauderdale, its destructiveness had greatly moderated although it continued to do plenty of damage all the way up through Florida on the eastern side and finally up into Georgia. The western parts of the towns of Hollywood and Dania, Fla., were badly affected.

Commissioner Larson of Florida announced that at noon Oct. 16, Narragansett Ins. Co. of Providence took over all the Florida fire and windstorm liability of the defunct Rhode Island Ins. Co. Several hotels on Miami Beach that were hard hit were insured in Rhode Island and the loss hence falls on Narragansett.

Assistant General Adjuster G. L. Ingelbritson of National Board accompanied Mr. Sherwood to Miami.

G.A.B. Tuesday Estimate

General Adjustment Bureau on Tuesday estimated there will be 28,000 losses from the Florida hurricane with damage ranging between \$17-\$18 million.

In Dade county, including Miami and Miami Beach, claims are placed at from 20-23,000 and the loss between \$16-\$17 million. In Broward county including Hollywood and Fort Lauderdale about 1,000 losses for \$500,000 are expected. The Palm Beach area from Vero beach to Delray including the area around Lake Okeechobee, may produce 1,500 losses approximately \$350,000. At Daytona Beach 300 to 500 claims are predicted amounting to \$75,000.

In North Florida including Jacksonville and St. Augustine areas and surrounding counties a loss of \$750,000 is expected from 3,000 claims.

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G.A.B. set up emergency facilities at 615 Southwest Second street, Miami, under C. R. Deckert, executive general adjuster. The Miami Beach office is at 400 14th street and is directed by Frank R. Beall, the bureau has 175 adjusters in the area.

Overall operations are directed by R. G. Backman, general manager of the southeastern department assisted by W. H. Davidson, executive general adjuster and Paul M. Douglass, executive assistant. Insurers met with members of the Builders Exchange and established unit prices for materials and labor common to this type damage.

By way of comparison it is recalled that in the 1947 hurricane the loss in Miami proper was \$1½ million, with the average loss payment being \$249 and the loss on Miami Beach was \$2,319,613.

Since 1946 approximately 50,000 G.I. homes have been built in the Miami area. By demand of the federal government Miami city waived code requirements for hurricane resistant construction. These homes are in the \$6,000 to \$18,000 range. Unfortunately the hurricane struck in that area.

About 2,000 automobile claims are involved, of these 500 trailer homes were completely wrecked. The only loss of life was in trailer homes.

This storm was very narrow—about 5 miles wide. It hit head on into Miami. A good many twisters or tornadoes were involved on the edges. Where tornadoes hit the worst damage was done.

Installment Premium Payments Reviewed

(CONTINUED FROM PAGE 1)

ally paid or unconditionally receivable and not over 90 days due.

"What portion of such unpaid installments should be treated as over 90 days due in companies' statements?" Mr. Kelly said that since the extension of credit involves an agreement between company and assured that installments shall fall due at stated intervals, it follows that as between company and assured an installment is not due until the date agreed upon. The 90-day rule should be treated as applicable to all unpaid installments or any installment if unpaid over 90 days from the date it falls due. Mr. Littlepage said that portion of unpaid installments over 90 days due should be treated as over 90 days due in the companies' statements.

"If premiums written are to be credited only with the individual installments as they fall due, should commission be charged upon a similar basis, with no premium installments not yet due reported as admitted assets?" Mr. Kelly stated that it is puzzling how premium installments not yet due, if not recorded as premiums written, may properly be reported as admitted assets. Mr. Littlepage explained that the North America plan provides for the use of a term policy only, not an annual contract. Therefore, premiums written are those

received from a term contract. Commissions on such policies are obviously contracted for when the policies are issued and therefore should be charged when contracted for.

Mr. Barry declared that premiums written should be credited only with the individual installments as they fall due and that commission should be charged upon a similar basis. He said installments not yet due should not be reported as admitted assets.

"Where an additional charge is made to cover the additional cost of installment handling should the total amount charged be treated as premiums written or broken down and allocated to premium writings and finance charges?" Mr. Kelly said no. Only premiums should be treated as premiums. Any additional charge for extending credit should be treated as a service charge. Mr. Littlepage declared that the North America companies do not regard the so-called additional charge as anything other than a portion of the premium. Mr. Barry emphasized that inclusion of additional service or credit charges as premium will destroy statistics and, ultimately, rate structure. Mr. Kelly endorsed Mr. Barry's opinion.

"Where a separate charge is made for financing installment premiums, should

such charge be treated as a part of premium income or as a separate income item in companies' statements?" Mr. Kelly stated that separate charges for financing should never be treated as a part of premium income.

Mr. Littlepage revealed that the North America companies do not make an extra charge for financing. The increase in premium for the installment premium endorsement is not a separate financing charge.

What Is Subject to Premium Tax?

"Should the total amount charged be subject to premium taxes, whether it is treated as premiums written or broken down into premiums written and finance charges?" Mr. Kelly again stated that where the total amount charged includes a so-called finance charge, this charge should not be treated as premium for any purpose whatsoever. "Therefore," he continued, "we do not see how the so-called finance charge may properly be subject to premium taxes."

Mr. Littlepage said that the total amount charged is subject to premium taxes because it is premium. Mr. Barry stated that only the charge for insurance should be treated as a premium and subject to premium taxes.

"May a rating organization apply its

assessments to the total amounts charged by companies for such policies or must the finance charges be eliminated from the premium in arriving at the company's assessable premiums?" Mr. Kelly and Mr. Barry said no, while Mr. Littlepage stated that the assessments should be based on the entire premium.

"If the total premium charged for such policies is to be treated as premiums written, should the total additional cost of handling the collections be treated as acquisition cost?" Messrs. Barry, Bennett and Kelly said no. Mr. Littlepage said that the additional charge made for the installment policy under the North America plan becomes a part of the whole premium. Therefore the prescribed cost allocations of the expense dollar are automatically applied to the additional charge.

"Is the interest charged on unpaid installments an admissible asset?" If interest is charged on unpaid installments, Mr. Phillips stated, such interest is an admissible asset like interest on any company investment. Mr. Barry stated that interest charged is not an admissible asset. Interest due or accrued may under certain circumstances be an admissible asset. The only guide, he said, is found in section 92 of the insurance law of

New York.



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Insurance Loss on Chicago Church Put at \$240,000

It is estimated that the insurance loss caused by the fire which damaged St. Alphonsus Catholic church at Chicago will run about \$240,000, or 50% of the insurance coverage. Newspapers had carried stories estimating the damage at \$500,000.

The companies on the risk are Home, National Liberty, Aetna and North America. Adjusters are Underwriters Adjusting, Daniel Swanson & Co., and Wagner & Glidden.

It is thought the fire may have been started by workmen who were using torches and similar equipment while placing a new copper roof on the main steeple.

Cal. Agents Hold Big Meeting

(CONTINUED FROM PAGE 6)

completeness there is generally a great deal of misunderstanding concerning it in the minds of most people he said that the members of the industry must seek to tell their story to the public so that proper coverage is issued in all cases and so conduct their business as to reflect only that which is good.

Rilea W. Doe, vice-president of Safeway Stores, was the speaker at a luncheon Monday given by San Francisco Blue Goose honoring the officers and directors of California association of Insurance Agents. John Henry Martin, Standard Forms Bureau, a grand nest officer, was chairman of the day.

As a departure from the usual system of individual speakers Program Chairman Harold J. Muller, of the California Association of Insurance Agents, arranged for a fire panel with W. M. Sidebotham, manager of National Union Fire as coordinator.

Two talks, one on socialism in Britain and one on adjustment problems, a five-man skit on dishonesty insurance and a two-man discussion on group insurance were highlights the second day of the meeting. There are four parts to British socialism, said Marsten Campbell, Jr., management engineer of Oakland.

Common problems existing between the agent and the adjuster were discussed by Aaron E. Rucker, independent adjuster from San Francisco, in his talk "Agents Part in Loss Adjustments". Five members of the Oakland association presented the skit entitled "Dishonesty

Insurance for Tiny Tots" and two agents from Oakland, P. S. W. Ramsden and Don D. Boyle, teamed up to handle the dual discussion on "The Challenge of Group Writing".

Cal. Independent Adjusters Meet at Los Angeles

LOS ANGELES—The annual convention of California Assn. of Independent Insurance adjusters was concluded here with the election of Theodore N. Hay, Los Angeles as president. Others elected were: 1st vice-president, M. P. Baldwin, Stockton; 2nd vice-president, Meredith S. Moore, Los Angeles; secretary, Earle Wright, San Francisco.

The opening day was devoted to a meeting of associations in the Pacific division of National Assn. of Independent Adjusters, presided over by the regional vice-president, Ted Brown of San Francisco. One of the topics for discussion was the matter of cooperation with insurance commissioners in claims matters.

At the opening general session welcome was extended by Mayor Fletcher Bowron and Van F. Joy, president of Insurance Assn. of Los Angeles, who warned the adjusters never to be too busy to handle a loss.

Mr. Joy also stressed that the average assured is somewhat naive when it comes to understanding his coverage and needs a good deal of assistance from his adjuster.

About 25% of the fire losses in the United States are caused by arson, William L. Wiesinger, captain of the arson squad of the Los Angeles Fire Department, declared. Mr. Wiesinger said the portion of annual fire losses chargeable to incendiaryism is no less than 10% and it may be as much as 40%. Arson is responsible for a greater monetary loss than any of the other crimes against property.

John Weister, vice-president Johnson & Higgins, representing Insurance Brokers Society of Southern California, spoke on "The Forgotten Man."

The initial session was closed with an address by Preston Hotchkis, president of Founders F. & M., who discussed "Package Insurance." Mr. Hotchkis said there is no true package policy for the home owner.

Mr. Hotchkis gave an idea for a policy to give insurance a new look. It will only take one action to handle, and it will have advantages to both policyholder and the companies. It should be written on a continuous form, should have a headline summary of the coverages.

Commissioner Downey Heard

Commissioner Downey of California was the guest at the luncheon and spoke briefly on "Views from the Other Side of the Table."

He called attention to the lack of cooperation between the claims and policy drafting departments of the companies. He said that insurance is the only industry where the departments are not coordinated, and expressed regret at having to say so. He declared the adjusters do not have the knowledge of what the policy drafting department meant in the phraseology of the policy. He declared it behooves the industry to get all sides together. One complaint against a company is taken out on all the industry. He said all claims should be settled on the basis of intention rather than on the technical terms of the policy. Where a difference exists between the insured and the insurer, he urged that the adjuster get in contact with the insured or the officers of the insured and also urged the necessity of insurers keeping their squabbles to themselves and not bother the policyholder. Always settle the claim, he said, and then let the companies settle their differences among themselves.

The afternoon session was opened by an address by Robert E. Wallace, part-

ner and manager, Chubb & Son, on "The Deductible Fire Coverage."

Harold E. Barnhart, president of California Assn. of Insurance Agents, in his talk commented on the importance of adjusters in maintaining good relations with the public. He said that adjusters should attempt to professionalize their end of the business and attain the respect from other branches of insurance and from the public.

Mr. Barnhart urged that the adjusters attempt to amend the California code to provide for licensing and qualification of adjusters and claims men.

The final address was given by James T. Blalock, executive vice-president of Pacific Indemnity, his subject being "The New California Permanent Disability Rating Schedule and Its Effect Upon Workmen's Compensation Claims." He expressed disapproval of the fact that California industrial accident commission has power to increase benefits. There are now two methods, wholly separate and apart from each other, by which benefits under the workmen's compensation act can be increased, he said. However, the power of the legislature to act is subject to checks and balances, while none of these checks and balances are present to act as a curb to the unlimited power of the industrial accident commission.

The exercise of such power is not in the public interest, he declared. It is a power greater than that exercised by the state legislature. "Who is able to predict the limits to which this power might be exercised in the future?" he asked.

A quiz panel and open forum closed the convention. Louis Knight, insurance broker, was moderator; Hamilton Thatcher, vice-president Founders F. & M.; Eugene F. French, Fireman's Fund; V. W. McKinney, America Fore, and Clarence B. Runkle, attorney, composed the panel.

Big Rally at Orlando

In conformity with a proclamation of Gov. Warren, a fire prevention conference is under way at Orlando, Fla., this week in charge of Commissioner Larson, who is also state fire marshal, as chairman and Walter Hays, president of American Fire & Casualty of Orlando and president of Florida State Chamber of Commerce, as vice-chairman. Sidney A. Singleton, chairman of the fire prevention committee of Florida Assn. of Insurance Agents, is executive vice-chairman.

G. B. Gray Is Retiring

George B. Gray, independent adjuster of San Francisco, is retiring after 50 years in the field and a total of 64 years in insurance.

Mr. Gray has been at San Francisco for 20 years and before that was in the middle west. He is a charter member of the Wisconsin Home Nest of Blue Goose. He started in 1886 as a recording agent for Continental in Iowa and was a local agent there and in Wisconsin until 1900 when he became special agent for Missouri. Before becoming independent adjuster at San Francisco in 1940, he was for 10 years staff adjuster in the Pacific Coast department of Northwestern National.

Insurers Win Vital Principles in Wisconsin

(CONTINUED FROM PAGE 2)

been put aside by the final order and no longer constitute a basis for the amended filings voluntarily submitted by the Wisconsin rating bureau. An added significance is that Mr. Lange's final order has the legal effect merely of approving rate filings voluntarily made on behalf of the affected companies, as distinguished from the position previously taken in his rate reduction order which would have created great legal doubt as to his authority to fix the rates to be charged by fire insurance companies in that state.



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A Consistent Policy

An insurance company's service to agents can take no more useful form than writing their business, year in and year out. Some companies oscillate between extreme underwriting liberality and ultra-conservatism. In better times they seek new business aggressively; when profit margins dwindle, they restrict writings severely. Study the record of company writings in poor years as well as good ones, and note how the New Amsterdam has avoided drastic changes in policy.

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INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Perkins, Kenady Merge Agencies at South Bend

The C. E. Perkins agency and the Ray H. Kenady agency of South Bend have been merged and henceforth will be known as the Perkins-Kenady Co. The agency is holding open house this week in its new, modern offices in the Whitcomb-Keller building.

Both men are past presidents of South Bend-Mishawaka Assn. of Insurance Agents. Mr. Kenady was chairman of the first South Bend-Mishawaka Insurance Day. Mr. Perkins for three years served as a director of the Indiana association and has been very active in



C. E. PERKINS

fire prevention work at South Bend.

Mr. Perkins founded his agency in 1919 and Mr. Kenady opened his in 1939 following service with Emmco Casualty as an adjuster. For 24 years the Perkins agency has been general agent for Hartford Accident and the new agency will continue that relationship. In addition



RAY H. KENADY

to the Hartford companies, the agency has General Accident, Continental Fire, Globe & Rutgers, Security of Connecticut, Home, U. S. Fire and Hoosier Casualty.

St. Louis Insured Members Conference held an insurance buyers round table (for insurance buyers only), Oct. 24. There was no speaker.

Landers Gets Union Trust Insurance Unit

The insurance department of Union Trust Co. of Indianapolis has been acquired by the Fisk Landers local agency. The Union Trust Co. had more than 5,000 insurance customers. The effective date of the transfer is Dec. 30. At that time the merger takes place of Indiana National Bank and Union Trust Co. The insurance business had to be disposed of because of the federal law barring national banks in towns of more than 5,000 population from engaging in the insurance business.

Peter Sprecher, who has been manager of the Union Trust insurance department, will join the Landers agency and the agency will take larger quarters in Merchants Bank building to accommodate the expanded operation.

Ohio Inspection Bureau Does Much Rerating Work

Ohio Inspection Bureau reports that for the first nine months of 1950, 225 towns have been rerated, and 3,686 reports published. Included among the reports were several public utilities, the largest being a 60-page report on the Columbus & Southern Ohio.

Three years ago the bureau rerated all the coal property in the state. Because of the many changes since that time it felt that all these properties should be rerated this year. Accordingly, the 24 coal-property counties are in process of rerating. The entire job will be completed some time this month.

Among the larger towns which have been completed this year are Ashtabula, Athens, Barberton, Bellaire, Conneaut, Defiance, Ironton, Lorain, Middleport, Mingo Junction, Mt. Vernon, Oxford, Perrysburg, Pomeroy, Shelby and Toronto. Practically all of these towns had changed class due to improvements in the public protection.

Among the larger cities and towns now in process of rerating are Berea, Norwalk, Tiffin, Wellston, Toledo, Akron and Cincinnati. All of these except the last two, will be completed before the end of the year, and all of them have changed class.

Civic Gifts at Ann Arbor

Ann Arbor (Mich.) Assn. of Insurance Agents is providing the city and county an emergency stand-by power system to operate the police radio network in event of an emergency cut-off of the usual power supply. It includes two generators which would "kick in" to maintain power whenever a power failure occurs. The association last year donated an outboard motor to the sheriff's department for use in river or lake dragging operations.

The purchases are financed from commissions earned in placing city business through the association, whose members turn over such earnings to their organization for civic purposes.

Law of Negligence Reviewed

The law of negligence in public liability cases and its application in Wisconsin cases was discussed by R. E. Anderson, attorney, at a meeting of local agents of Superior, Wis.

F. P. Program at Wichita

Wichita Assn. of Insurance Agents saw a new demonstration on electrical fire hazards in the home by Frank Armstead, service department of Kansas Gas & Electric Co., Wichita, for its Fire Prevention Week program. Raymond

Davis, Sedgwick county fire chief, described the Fire Prevention Week programs being given to the country schools of the county with the assistance of Wichita board members.

Confer on Qualification Law

JEFFERSON CITY—Frank McGee of Kansas City and Lewis H. Trout of St. Louis, co-chairmen of the legislation committee of Missouri Assn. of Insurance Agents, and Bennett G. Gregory of St. Louis, executive secretary, conferred here Tuesday with Superintendent Leggett on the qualification law that is to be submitted to the next legislature. It is hoped that it will be possible to prepare a bill that will be acceptable to all branches of insurance.

COAST

Washington Fight Against Banks' Right to Act as Agents Coming to Head

The right of one of the leading national banks at Seattle and a prominent state bank, also at Seattle, to engage in the insurance business as an agent or broker is again being challenged by King County (Wash.) Insurance Assn. President Elwell C. Case said at a luncheon meeting at Seattle.

Some time ago the association filed formal complaints with the Washington department against both institutions, alleging that they were in violation of not only the insurance code but of their charter powers in engaging in the insurance business, directly or through affiliated corporations. The matter is rapidly coming to a head and there will probably be an early hearing before the commissioner.

He also reported that a move will be made by the state association to sponsor an anti-coercion law at the forthcoming session of the legislature. This is in accordance with a resolution adopted at the Washington state convention at Spokane. Attempts are also being made to tighten agency licensing requirements of the department.

Reports on the recent Chicago convention of N.A.I.A. were made by Vice-president Thomas A. Harman, LeRoy Hunter, Herb Crockett and Kenneth G. Myers.

Auto Adjusters Hear Cooper

W. O. Cooper, general agent of Underwriters Salvage Co. at San Francisco, addressed Automobile General Adjusters Assn. of San Francisco. He reviewed the activities of his organization since it has taken over disposing of wrecked or stolen automobiles which the insurance companies have acquired through payment of total losses.

Washington Groups Meet

Washington advisory committee at its regular fall meeting at Seattle, held sessions with the contact committee of Washington Assn. of Insurance Agents, Washington Fire Underwriters Assn. and Inland Empire Fire Underwriters Assn. as well as the management of Washington Surveying & Rating Bureau and Washington Insurance Examining Bureau.

Following the sessions, J. K. Woolley, manager of its Washington bureau, was host at a traditional party which included a golf game at Rainier Golf & Country Club, followed by a dinner.

Apperton to Fresno Post

Jerome Apperton, formerly an underwriter in the automobile department of Swett & Crawford at San Francisco,

has been appointed a special agent in the San Joaquin valley with headquarters at Fresno. He has been with Swett & Crawford since graduation from University of California in 1949.

Wash. Assn. Trustees Vote to Support New Casualty Experience, Schedule Rates

Trustees of Washington Assn. of Insurance Agents, in a special session at Seattle, agreed to support the casualty experience and schedule rating program which Commissioner Sullivan is reported to be ready to inaugurate.

The association had requested the department to withhold action on the plan, scheduled originally to become effective Oct. 1, so that agents could study the proposal.

Under the plan, all casualty companies in the state will use the same rating formula, although this does not necessarily mean that all rate quotations will be the same since deviations will continue to be in effect.

However, under the new setup the Washington Insurance Examining Bureau, which will discontinue examination of private passenger car dailies, will keep experience records on file and these will be made available to all companies in computing quotations. The bureau will have two field men spot-checking risks in the offices of agents and companies to insure compliance with the law.

In addition, the meeting considered action on the proposed legislative program for next year, which will include sponsorship of an anti-coercion law and a tighter agents' licensing law. Plans were made for the final phase of the campaign against referendum 28, the unemployment compensation disability measure.

Austin J. Roberts, Walla Walla, chairman of the fire contact committee, and LeRoy Hunter, Seattle, made reports. H. P. Sargent, new president, had charge of the meeting.

Buyer Offers Advice at Pacific C.P.C.U. Lunch

LOS ANGELES — Robert A. Hornby, executive vice-president of Pacific Lighting Corp., declared at the all-industry luncheon of Pacific C.P.C.U. that the insurance broker must have the intellectual courage to straighten out a buyer who is expecting too much from his coverage or from the insurance market. There were 14 candidates who received their designations.

The average buyer wants to be able to depend on the broker so completely that the broker can act as a substitute for an expensive insurance department for him, the speaker declared. For this reason, the broker must do more than execute orders. He must have managerial talent and clerical skill on his staff. It is up to the broker to call attention to coverage which is available whenever changes occur and not to wait until renewal time to do this. Mr. Hornby advised the broker to maintain a checking procedure which assures that the policy has been placed in the proper market and does not contain omissions, additions or clerical mistakes.

Advanced Course at U.S.C.

LOS ANGELES — The advanced fire, casualty and surety course being given at University College, University of Southern California, has opened with 64 registered. While it is not officially recognized as a C.P.C.U. course, it is in consonance with Part I of the prescribed C.P.C.U. course and is intended to prepare students for C.P.C.U. examinations. G. Earl Williams, assistant manager of National Surety, is in charge.

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In 1886 a tablet was placed on Fort Crailo erroneously stating that the house was built in 1642 and was supposed to be the oldest building in the United States, but neither of these claims was correct. Though the exact date is not known, the present structure was probably built soon after 1704 and a rear

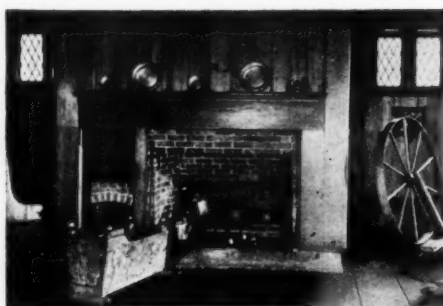


SEATED on a well curb in the garden, a British surgeon, Dr. Richard Shuckburg, watched reinforcements from New England arriving in motley array to join General Abercrombie's forces before the attack on Ticonderoga in 1758. To the lively young surgeon, accustomed to dapper, well-equipped British officers, the "rabble in arms" were objects of ridicule and in a spirit of mockery he penned the words of "Yankee Doodle," adapting them to an air long popular in Europe. Eventually, however, the derided Yankees had the last laugh, for "Yankee Doodle" was a rallying cry during the Revolution and became America's first patriotic song. Nor were the British any longer amused when, after Burgoyne's defeat at Saratoga, the Americans lustily chanted "Yankee Doodle" as the surrendering troops laid down their arms.

Fort Crailo where "Yankee Doodle" is believed to have been written was the manor house of Rensselaerwyck, home of the Van Rensselaer family on the east bank of the Hudson in the town which now bears their name. Kiliaen Van Rensselaer, wealthy diamond merchant of Amsterdam, began to acquire his property in 1630, only twenty-one years after Hendrick Hudson's explora-



FORT CRAILO



tory voyage, and increased his holdings until his patroonship included more than 700,000 acres. A director of the Dutch West India Company, the patroon never saw his vast estate which he named Crailo, or Crows' Woods, but administered it by means of letters to his agents.

Among the early settlers was a pastor, Domine Megapolensis, sent to "administer and perform divine service for the colony." The house built for him and also used as his church may have stood on or near the site of Fort Crailo, for stones in its foundation bear the initials K.V.R. and the date 1642.

Birthplace of Yankee Doodle

wing added about 1762. The house was evidently intended as a stronghold for the walls are eighteen to twenty inches thick and there are loopholes for muskets. During the French and Indian War it was used as General Abercrombie's headquarters.

After belonging to the Van Rensselaer family for many years, in 1924 Fort Crailo was offered to New York State. It is now maintained as a museum by the State Department of Education.

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